

**ONTARIO CREDIT UNION FOUNDATION**  
**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

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## Independent Auditor's Report

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### To the Members of Ontario Credit Union Foundation

#### Qualified Opinion

We have audited the financial statements of **Ontario Credit Union Foundation** ("The Foundation"), which comprise the statement of financial position as at December 31, 2024, and the statement of operations and changes in fund balances, statement of net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of **Ontario Credit Union Foundation** as at December 31, 2024, 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. Our audit opinion for the year ended December 31, 2023, dated April 18, 2024, was also modified due to the matter described in the Basis for Qualified Opinion section of our report.

#### Basis for Qualified Opinion

In common with many charitable organizations, Ontario Credit Union 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 revenues, excess of revenues over expenses, total assets and net assets.

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 Foundation 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Foundation'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 it 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.

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## Independent Auditor's Report

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### To the Members of Ontario Credit Union Foundation (Continued)

#### Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 a 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 Foundation'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 Foundation'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 Foundation 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.

*Jones & O'Connell LLP*

Jones & O'Connell LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
St. Catharines, Ontario  
April 17, 2025

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

*As of December 31*

	Community Investment Funds	Permanent Capital Funds	General Fund	2024 Total	2023 Total
<b>ASSETS</b>					
Current Assets					
Cash	\$ -	\$ -	\$ 141,295	\$ 141,295	\$ 202,187
Accounts Receivable	-	-	39,866	39,866	21,090
Prepaid Expenses	-	-	830	830	789
	\$ -	\$ -	\$ 181,991	\$ 181,991	\$ 224,066
Investment	363,765	1,227,204	13,509	1,604,478	1,508,413
Other	-	-	202	202	394
	\$ 363,765	\$ 1,227,204	\$ 195,702	\$ 1,786,671	\$ 1,732,873
<b>LIABILITIES AND NET ASSETS</b>					
Current liabilities:					
Accounts Payable	\$ -	\$ 20,392	\$ 7,331	\$ 27,723	\$ 18,917
	\$ -	\$ 20,392	\$ 7,331	\$ 27,723	\$ 18,917
Net assets:					
Community investment funds	\$ 363,765	\$ -	\$ -	\$ 363,765	\$ 412,951
Permanent capital funds	-	1,206,812	-	1,206,812	1,084,129
General fund	-	-	188,371	188,371	216,876
	\$ 363,765	\$ 1,206,812	\$ 188,371	\$ 1,758,948	\$ 1,713,956
	\$ 363,765	\$ 1,227,204	\$ 195,702	\$ 1,786,671	\$ 1,732,873

The accompanying notes are integral to the financial statements.

Approved by the Board:



R. Murray, Chair



A. Kirilo, Secretary/Treasurer

**ONTARIO CREDIT UNION 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>	2024	2023	2024	2023	2024	2023	2024	2023
<b>REVENUE</b>								
Contributions (note 2)	\$ 66,911	\$ 131,862	\$ 14,611	\$ 41,176	\$ 248,231	\$ 236,940	\$ 329,753	\$ 409,978
Investment income	24,931	19,084	162,078	143,570	5,194	5,436	192,203	168,090
Membership fees	-	-	-	-	1,380	380	1,380	380
	<b>\$ 91,842</b>	<b>\$ 150,946</b>	<b>\$ 176,689</b>	<b>\$ 184,746</b>	<b>\$ 254,805</b>	<b>\$ 242,756</b>	<b>\$ 523,336</b>	<b>\$ 578,448</b>
<b>EXPENSES</b>								
Charitable distributions (note 3)	\$ 137,510	\$ 68,931	\$ 42,462	\$ 39,236	\$ 104,195	\$ 103,967	\$ 284,167	\$ 212,134
Golf Tournament (note 2)	-	-	-	-	31,275	31,247	31,275	31,247
Annual Meeting (note 2)	-	-	-	-	463	769	463	769
General and administrative	3,518	3,138	11,544	10,171	8,126	10,942	23,188	24,251
Management fees	-	-	-	-	137,316	109,242	137,316	109,242
Insurance	-	-	-	-	1,935	1,831	1,935	1,831
	<b>\$ 141,028</b>	<b>\$ 72,069</b>	<b>\$ 54,006</b>	<b>\$ 49,407</b>	<b>\$ 283,310</b>	<b>\$ 257,998</b>	<b>\$ 478,344</b>	<b>\$ 379,474</b>
<b>Excess (shortfall) of revenues over expenses</b>	<b>\$ (49,186)</b>	<b>\$ 78,877</b>	<b>\$ 122,683</b>	<b>\$ 135,339</b>	<b>\$ (28,505)</b>	<b>\$ (15,242)</b>	<b>\$ 44,992</b>	<b>\$ 198,974</b>
Fund balances – beginning of year	412,951	334,074	1,084,129	948,790	216,876	232,118	1,713,956	1,514,982
Interfund transfers	-	-	-	-	-	-	-	-
Fund balances – end of year	<b>\$ 363,765</b>	<b>\$ 412,951</b>	<b>\$1,206,812</b>	<b>\$ 1,084,129</b>	<b>\$188,371</b>	<b>\$ 216,876</b>	<b>\$ 1,758,948</b>	<b>\$ 1,713,956</b>

The accompanying notes are integral to the financial statements.

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

<i>As at December 31</i>	<b>2024</b>	<b>2023</b>
<b>Community Investment Funds:</b>		
Dorothy Watson CYL Bursary Fund	\$ 13,655	\$ 13,538
Bernie Daly Community Investment Fund	25,863	25,947
Mainstreet CU	107,252	166,716
The Jean Wansbrough Leadership Training Fund	179,192	162,895
YNCU Good Neighbour Fund	37,803	43,855
<b>Total Community Investment Funds</b>	<b>\$ 363,765</b>	<b>\$ 412,951</b>
<b>Permanent Capital Funds:</b>		
Corporate:		
Alterna C.U. Fund	\$ 36,771	\$ 33,280
Bernie Daly Memorial Fund	43,118	39,024
Charles Diemer Capital Fund (United Communities C.U.)	14,170	12,836
CU Succeed Youth Bursary PCF	99,508	90,059
Davis & Henderson Bursary	24,888	22,525
Development of Credit Unions in the Ukraine	19,323	16,937
Earle Reed Fund (Rochdale C.U.)	27,808	25,375
Joe Bonner/Ron Selman Memorial Capital Fund	12,369	11,195
Kakabeka Falls C.U. Capital Fund	30,488	26,724
Ken Weatherley Bursary Fund (Ottawa Firefighters C.U.)	12,620	11,422
First Ontario Bursary (FirstOntario C.U.)	37,673	38,282
Len Tune Memorial Bursary (Charitable Foundation)	19,465	17,512
Libro Credit Union Fund	98,431	89,067
Lincoln M. Alexander Scholarship/Bursary Fund	64,265	58,163
Meridian C.U. Capital Fund	153,561	138,978
Oshawa Community Credit Union Fund	7,089	6,415
Parama Scholarship Fund (Parama Lithuanian C.U.)	126,946	111,273
Shepherd Family Capital Fund (Prosperity One CU)	20,788	18,806
Sudbury Regional Capital Fund	20,634	18,675
Mainstreet CU Capital Fund (Formerly Sydenham Community C.U. Fund)	24,154	22,537
William H. Bohn Fund (Meridian C.U.)	19,602	17,741
Windsor Family Bursary Fund	7,612	6,673
United Communities C.U. Capital Fund	48,501	43,936
	<b>\$ 969,784</b>	<b>\$ 877,435</b>
Family:		
Amy & Tim Dauphinee Bursary Fund	\$ 11,366	\$ 12,862
Bonifacio Family Sustainability Fund	32,166	27,657
Carl Zawadzki Fund	14,772	13,835
John Alexander Scott Memorial/Scholarship Award	10,091	9,133
Donald E. Altman and Judy Skinner Fund	168,633	143,207
	<b>\$ 237,028</b>	<b>\$ 206,694</b>
<b>Total Permanent Capital Funds</b>	<b>\$ 1,206,812</b>	<b>\$ 1,084,129</b>
<b>General Fund</b>	<b>188,371</b>	<b>216,876</b>
<b>Total Funds</b>	<b>\$ 1,758,948</b>	<b>\$ 1,713,956</b>

The accompanying notes are integral to the financial statements

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

<i>As at December 31</i>	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess (shortfall) of revenues over expenses	\$ 44,992	\$ 198,974
Change in non-cash operating working capital		
Item not involving cash:		
Unrealized (gain) loss included in investment income	(100,866)	(116,988)
Realized (gain)/loss included in investment income	(3,680)	-
Change in non-cash operating working capital		
Accounts receivable	(18,776)	(15,001)
Prepaid expenses	(41)	(95)
Other	192	190
Accounts payable	8,806	14,163
	(69,373)	81,243
Investing activities:		
Purchase of investments	(222,815)	(438,409)
Proceeds on sales of investment	231,296	79,714
	8,481	(358,695)
Net increase (decrease) in cash	(60,892)	(277,452)
Cash, beginning of year	202,187	479,639
Cash, end of year	\$ 141,295	\$ 202,187

The accompanying notes are integral to the financial statements.

**ONTARIO CREDIT UNION FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

The Ontario Credit Union Foundation (“the Foundation”) is incorporated without share capital under the Not-for-profit 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.

### Financial Instruments Accounting Policy

The Foundation initially measures its financial instruments at fair value, then subsequently measures as follows:

Financial assets measured at amortized cost include cash, accounts receivable, and investments comprised of cash held in a broker account. Financial assets measured at fair value include investments held in equity investments. Financial liabilities measured at amortized cost include account payable.

### 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.

## Investment Income Recognition Policy

Investment income is comprised of interest, distributions on equity instruments and unrealized gains (losses) on equity investments. Interest is recognized as earned over the passage of time. Distributions on equity instruments are recognized when received. Unrealized gains (losses) on equity instruments are recognized when the fair market value of equity investments exceeds (is less than) the historical cost of such equity instruments. Interest is allocated to the related community investment funds, permanent capital funds or the general fund, based on the proportionate balances held in the related funds as a percentage of total cash funds held. Investment income on equity instruments is allocated between the community investment funds, permanent capital fund balances and the general fund based on the proportionate balance held in the related funds as a percentage of total equity instrument funds held.

## Investments Note Disclosure

	<u>2024</u>	<u>2023</u>
Cash held in broker account	\$ 268,538	\$ 347,896
Equity instruments ((Cost - \$1,151,445 (Cost 2023 - \$1,076,892))	1,335,850	1,160,432
( 84,674 (2023 – 80,058)) units in a global balanced fund)	\$ 1,604,388	\$ 1,508,328

## Administration Fees

Administration fees are charged to each of the Permanent Capital Funds and the Community Investment Funds at a rate of 1% per annum and collected monthly based on the closing monthly balances of each fund. During the year, the general fund allocated to the various community investments funds \$3,518 and to the various permanent capital funds \$11,544 related to admin fees.

## 2. Contributions

	Community Investment Funds		Permanent Capital Funds		General Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Annual meeting	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Donations:								
Assessments	-	-	-	-	86,951	86,781	86,951	86,781
Other	66,911	131,862	14,611	41,176	47,977	48,679	129,499	221,717
Golf tournament	-	-	-	-	111,803	99,980	111,803	99,980
	\$ 66,911	\$ 131,862	\$ 14,611	\$ 41,176	\$248,231	\$ 236,940	\$329,753	\$ 409,978

The excess of contributions over expenses for the Annual Meeting was \$1,037 (2023 – (\$731) and for the Golf Tournament was \$80,528 (2023 - \$68,733). Annual voluntary donation assessments introduced in 2010 are calculated at \$0.10 cents per member per participating credit union.

### 3. Charitable Distributions

	Community Investment Funds		Permanent Capital Funds		General Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Co-operative Young Leaders Program	\$ -	\$ -	\$ -	\$ -	\$ 4,195	\$ 3,967	\$ 4,195	\$ 3,967
Partnering Activities	137,510	68,931	42,462	39,236	-	-	179,972	108,667
Scholarships and Bursaries	-	-	-	-	100,000	100,000	100,000	100,000
	\$ 137,510	\$ 68,931	\$ 42,462	\$ 39,236	\$ 104,195	\$ 103,967	\$ 284,167	\$ 212,134

### 4. New Funds

No funds were opened or closed during the year.

### 5. Financial Risks and Concentration of Credit Risk

The Foundation is exposed to market risk and concentration risk as it holds investments in equity instruments in one mutual fund with one dealer. Included in investment income is an unrealized gain/(loss) on equity instruments of \$100,866 for the year ended December 31, 2024 (2023 – \$116,988) as well as a realized gain of \$3,680 (2023 - \$0).

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. The Permanent Capital Fund balances were transferred to Credential Securities in October 2016. Balances were held in a cash account for the remainder of 2016 and were invested in 2017 in an effort to generate additional income for the funds.

In 2023, the Foundation opened a money market account to accommodate excess cash to generate additional income for operating and Community Investment Funds. There were no unrealized gains/(losses) to report.

### 6. Amounts Owing Between Funds

Included in Accounts Receivable and Accounts Payable are amounts owing to and from the Foundation's various funds. As of December 31, there is a balance owing from the Community Investment Funds to the Permanent Capital Funds of \$ 0 , and \$ 20,393 owing from the Permanent Capital Funds to the General Fund.