

ONTARIO CREDIT UNION CHARITABLE FOUNDATION NOTES TO THE FINANCIAL STATEMENTS

The Foundation is incorporated without share capital under the Corporations Act (Ontario) and is a private foundation under the Income Tax Act (Canada).

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

- i) the advancement of education, particularly in the field of co-operative enterprise;
- ii) the advancement of co-operative enterprise in developing countries; and
- iii) partnering with other co-operative enterprises to support their community charitable organizations and causes.

1. Significant Accounting Policy

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

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. Unrestricted contributions are recognized as revenue of the general fund in the year received 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.

2. Contributions

	Disaster Relief Fund		Community Investment Funds		Permanent Capital Funds		General Fund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Annual meeting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,702	\$ 44,785	\$ 38,702	\$ 44,785
Donations:										
Donation Assessments	-	-	-	-	-	-	73,702	71,633	73,702	71,633
Other	12,500	-	323,795	215,000	22,445	58,240	90,720	25,891	449,460	299,131
Golf tournament	-	-	-	-	-	-	75,105	71,565	75,105	71,565
	\$ 12,500	\$ -	\$ 323,795	\$ 215,000	\$ 22,445	\$ 58,240	\$ 278,229	\$ 213,874	\$ 636,969	\$ 487,114

The excess of contributions over expenses for the Annual Meeting was \$ 18,700 (2009 - \$15,923) and for the Golf Tournament was \$ 32,518 (2009 - \$33,162). Annual voluntary donation assessments introduced in 2010 are calculated at \$0.10 cents per member per participating credit union.

3. Charitable Distributions

	Disaster Relief Fund		Community Investment Funds		Permanent Capital Funds		General Fund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Co-operative Development Foundation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,000	\$ 35,000	\$ 24,000	\$ 35,000
Co-operative Young Leaders Program	-	-	-	-	-	-	21,334	25,730	21,334	25,730
Partnering Activities Scholarships and Bursaries	10,000	-	307,983	356,630	8,471	4,246	122,172	90,478	448,626	451,354
	\$ 10,000	\$ -	\$ 307,983	\$ 356,630	\$ 8,471	\$ 4,246	\$ 173,006	\$ 156,708	\$ 499,460	\$ 517,584

4. New Funds

During the year, two new community investment funds were established (Prosperity One Community Investment Fund and The Jean Wansbrough Leadership Training Fund). One new permanent capital fund was established (Shepherd Family Capital Fund).

5. Statement of Cash Flows

A statement of cash flows has not been prepared as the information is readily available from the statement of operations and changes on fund balances and notes.

6. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.



Your Giving Partner

In 2010 the Board and staff of the Ontario Credit Union Charitable Foundation worked in a very focused way and the pay off has been gratifying. We are very thankful for the guidance that Linda Flemington provided as Chair of this Foundation over the last few years. The internal governance work that she began and which has now been completed under the direction of our new Chair, Earl Campbell, is extensive and provides a high level of risk management, operational control and sophistication. The Board has been structured so as to involve every Director at the committee level and sound policies have been updated and expanded to give management the direction they need going forward. None of these improvements will be obvious to the outside observer. However those of us who are working on your behalf every day to support credit unions in their

communities, educating youth through the CYL program, building credit unions through international development and providing humanitarian aid through disaster relief, having sound controls and policies ensures that you can be confident in the manner in which we are operating your Foundation.

Our new tag line is "Your Giving Partner". It's when we decided to become a partner with credit unions that we experienced the greatest growth in our history. The gratification we receive by supporting credit union charities and providing matched funds which support the purposes of our partners is fulfilling. It is our goal to be there when you need us. We are "Your Giving Partner".



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 and net assets as at December 31, 2010, the statement of operations and changes in fund balances for the year then ended, and notes, comprising 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 generally accepted accounting principles, 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 revenue from voluntary contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues were limited to the amounts recorded in the records of Ontario Credit Union Charitable Foundation and we were not able to determine whether any adjustments might be necessary to such revenues, excess (shortfall) of revenues over expenses, 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 and net assets of Ontario Credit Union Charitable Foundation as at December 31, 2010, and its results of operations and its changes in fund balances for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

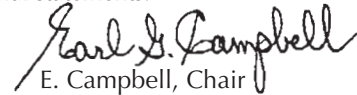
Chartered Accountants, Licensed Public Accountants
February 16, 2011
Toronto, Canada

ONTARIO CREDIT UNION CHARITABLE FOUNDATION STATEMENT OF FINANCIAL POSITION

As at December 31	Disaster Relief Fund	Community Investment Funds	Permanent Capital Funds	General Fund	2010 Total	2009 Total
ASSETS						
Current assets:						
Cash	\$ 2,551	\$ 424,979	\$ 958,604	\$ 141,106	\$ 1,527,240	\$ 1,483,504
Accounts receivable	-	-	-	1,303	1,303	2,762
Prepaid expenses	-	-	-	11,468	11,468	6,104
Investment	\$ 2,551	\$ 424,979	\$ 958,604	\$ 153,877	\$ 1,540,011	\$ 1,492,370
	-	-	-	25	25	-
	\$ 2,551	\$ 424,979	\$ 958,604	\$ 153,902	\$ 1,540,036	\$ 1,492,370
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 9,352	\$ 9,352	\$ 580
Distributions committed	-	-	-	5,000	5,000	-
	\$ -	\$ -	\$ -	\$ 14,352	\$ 14,352	\$ 580
Net assets:						
Disaster Relief Fund	\$ 2,551	\$ -	\$ -	\$ -	\$ 2,551	\$ -
Community Investment Funds	-	424,979	-	-	424,979	405,809
Permanent Capital Funds	-	-	958,604	-	958,604	937,093
General Fund	-	-	-	139,550	139,550	148,888
	\$ 2,551	\$ 424,979	\$ 958,604	\$ 139,550	\$ 1,525,684	\$ 1,491,790
	\$ 2,551	\$ 424,979	\$ 958,604	\$ 153,902	\$ 1,540,036	\$ 1,492,370

The accompanying notes are integral to the financial statements.

Approved by the Board:


E. Campbell, Chair


D. Schurman, Treasurer

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended Dec. 31	Disaster Relief Fund		Community Investment Funds		Permanent Capital Funds		General Fund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
REVENUES										
Contributions (note 2)	\$ 12,500	\$ -	\$ 323,795	\$ 215,000	\$ 22,445	\$ 58,240	\$ 278,229	\$ 213,874	\$ 636,969	\$ 487,114
Interest on current account	51	-	3,264	5,963	9,697	12,756	10,131	15,878	23,143	34,597
Membership fees	-	-	-	-	-	-	6,500	15,550	6,500	15,550
	\$ 12,551	\$ -	\$ 327,059	\$ 220,963	\$ 32,142	\$ 70,996	\$ 294,860	\$ 245,302	\$ 666,612	\$ 537,261
EXPENSES										
Charitable distributions (note 3)	\$ 10,000	\$ -	\$ 307,983	\$ 356,630	\$ 8,471	\$ 4,246	\$ 173,006	\$ 156,708	\$ 499,460	\$ 517,584
Golf tournament (note 2)	-	-	-	-	-	-	42,587	38,403	42,587	38,403
Annual meeting (note 2)	-	-	-	-	-	-	20,002	28,862	20,002	28,862
General and administrative	-	-	800	300	-	-	14,462	12,289	15,262	12,589
Salaries and benefits	-	-	-	-	-	-	54,265	53,320	54,265	53,320
Insurance	-	-	-	-	-	-	1,142	378	1,142	378
	\$ 10,000	\$ -	\$ 308,783	\$ 356,930	\$ 8,471	\$ 4,246	\$ 305,464	\$ 289,960	\$ 632,718	\$ 651,136
Excess of revenues over expenses (shortfall)	\$ 2,551	\$ -	\$ 18,276	\$ (135,967)	\$ 23,671	\$ 66,750	\$ (10,604)	\$ (44,658)	\$ 33,894	\$ (113,875)
Fund balances – beginning of year	-	-	405,809	540,558	937,093	873,243	148,888	191,864	1,491,790	1,605,665
Interfund transfers	-	-	894	1,218	(2,160)	(2,900)	1,266	1,682	-	-
Fund balances – end of year	\$ 2,551	\$ -	\$ 424,979	\$ 405,809	\$ 958,604	\$ 937,093	\$ 139,550	\$ 148,888	\$ 1,525,684	\$ 1,491,790

The accompanying notes are integral to the financial statements.

STATEMENT OF NET ASSETS

As at December 31	2010	2009
Disaster Relief Funds:		
Ontario Credit Union Charitable Foundation Disaster Relief Fund	\$ 2,551	\$ -
Total Disaster Relief Funds	\$ 2,551	\$ -
Community Investment Funds:		
Central 1 Credit Union Community Investment Fund	\$ 2,934	\$ 6,481
Alterna Community Investment Fund	23,124	22,985
Prosperity One Community Investment Fund	12,775	-
The Jean Wansbrough Leadership Training Fund	9,789	-
Libro Financial Group Community Investment Fund	376,357	376,343
Total Community Investment Funds	\$ 424,979	\$ 405,809
Permanent Capital Funds:		
Corporate:		
Alterna C.U. Fund	\$ 13,427	\$ 13,289
Aubrey Dalgleish Memorial Fund (FirstOntario C.U.)	27,659	27,659
Bernie Daly Memorial Fund	34,596	31,829
Bryan Halladay Memorial Fund for Myotonic Dystrophy (Kingston Comm. C.U.)	55,581	50,024
Charles Diemer Bursary Fund (Woodslee C.U./Windsor Chapter)	12,527	12,399
Davis & Henderson Bursary	26,262	23,762
Development of Credit Unions in Ukraine	12,245	12,119
Earle Reed Fund (Rochdale C.U.)	26,176	25,907
Hald-Nor C.U. Capital Fund	2,906	2,877
Hamilton & District C.U. Chapter	9,878	9,878
Haswell B. Iron Fund (Alterna C.U.)	3,508	3,472
Joe Bonner/Ron Selman Memorial Capital Fund	10,000	10,000
Kakabeka Falls C.U. Capital Fund	18,636	18,941
Ken Weatherley Bursary Fund (Ottawa Firefighters C.U.)	9,426	9,329
Larry Sweeney Bursary (FirstOntario C.U.)	14,820	14,667
Len Tune Memorial Bursary (Charitable Foundation)	13,978	13,834
Libro Financial Group C.U. Fund	86,007	86,007
Lincoln M. Alexander Scholarship/Bursary Fund (MemberOne C.U.)	45,952	46,163
Meridian C.U. Capital Fund	154,441	153,697
Norman Alexander Memorial Bursary Fund (Estate of Deceased)	13,889	13,746
Ontario Council Gary Gillam Memorial Fund (CUES)	11,748	11,748
Oshawa Community Credit Union Fund	5,477	5,421
Parama Scholarship Fund (Parama Lithuanian C.U.)	119,012	124,090
Shepherd Family Capital Fund (Prosperity One CU)	8,037	-
Sudbury Regional Capital Fund	14,594	14,456
Sydenham Community C.U. Fund	19,149	18,952
William H. Bohn Fund (Meridian C.U.)	14,793	14,641
Windsor Family Bursary Fund	4,820	4,771
Woodslee C.U. Capital Fund	49,743	49,231
	\$ 839,287	\$ 822,909
Family:		
Amy & Tim Dauphinee Bursary Fund	\$ 38,376	\$ 38,376
Carl Zawadzki Fund	11,411	11,448
Craig Family Capital Fund	6,260	6,196
John Scott Memorial/Scholarship Award	8,320	8,241
N. Donald E. Altman and Judy Skinner Fund	41,197	36,312
Niessen Family Fund	3,055	3,023
Private Fund No. 1	10,698	10,588
	\$ 119,317	\$ 114,184
Total Permanent Capital Funds	\$ 958,604	\$ 937,093
General Fund	\$ 139,550	\$ 148,888
Total Funds	\$ 1,525,684	\$ 1,491,790

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