



Annual General Meeting Agenda

Thursday, May 15, 2025

101 Cooper Drive, Guelph, ON & via Zoom

11:15am EST

**Our in-person networking event will take place before the AGM from 9:00 – 11:00am.
Registration for the AGM will begin at 11:00am EST for virtual attendees.**

1. Welcome & Introductions
2. Virtual Procedure Overview
3. Approval of Meeting Agenda*
4. Review & Approval of AGM Minutes dated September 18, 2024*
5. Chair & Executive Director Report
6. Review and Approval of Audited Financial Statements dated December 31, 2024*
 - *Treasurer's Report*
 - *RLB Auditor's Report*
 - *Appointment of Auditor*
7. Program Updates & Member Feedback
9. New Business
10. Closing Remarks and Adjournment

Ontario Co-operative Association Annual General Meeting

Date: September 18, 2024

Time: 10:00 – 11:30am

Location: Zoom

In the presence of

Jill Bassindale, ClimateCare Canada; Peter Cameron, Community Wealth Co-operative; Abdul-Kadir Mohamoud, Co-op Cabs (Associated Toronto Taxicab Co-operative); Greg Elliott, Co-operators; Kelly Storie, Canadian Worker Co-operative Federation; Patrick Therrien, Embrun Co-operative; Steve Kingan, Frontline Credit Union; Steve Veldman, Gay Lea Foods Co-operative; Claude Gauthier, GROWMARK, Inc.; Paul Emerick, AGRIS Co-operative; Kelli Phillips, Hay Communications Co-operative; Kate Pearce, Kindred Credit Union; Bob Trentadue, Kingston Community Credit Union; Sue Baker, Ontario Mutual Insurance Association; Darryl Evans, Quadro Communications Co-operative; Mimi Regimbal, Sudbury Credit Union; Martin Gillis, WFCU Credit Union; Archie Bonifacio, Your Neighbourhood Credit Union;

Board of Directors: Jordan Moat, Libro Credit Union (Chair); Wendy Carruthers, Co-operators (Vice-Chair/Secretary); Kathy Stewart, Frontline Credit Union (Treasurer); Chris Caners, SolarShare; Kelli Phillips, Hay Communications Co-operative; Reba Plummer, Canadian Worker Co-operative Federation; Craig Steven, Gay Lea Foods Co-operative.

Staff: Jennifer Ross, Executive Director; Audrey Aczel, Communications Manager; Michelle Christmann, Education Manager; Carol Fleming, Director, Co-operative Young Leaders; and Sujit Basak, Bookkeeper & Office Administrator.

Call to order

Jordan Moat (Chair) called the meeting to order at 10:01am.

1. Chairs Welcome

Jordan introduced himself as a representative from Libro Credit Union on the Board of Directors. He expressed gratitude for all in attendance and noted that the virtual nature of the meeting allows for meeting attendance from many geographical regions.

The Board of Directors and staff were introduced. Virtual voting participation and procedures were explained, and Quorum was confirmed.

Jordan explained the contents of the AGM package received by each attendee, which included the agenda for this meeting and the minutes from AGM Tuesday, September 20, 2023.

2. Approval of the Agenda

A motion to approve the agenda was moved by Steve Elman (Gay Lea Foods Co-operative) and seconded by Mimi Regimbal (Sudbury Credit Union). The motion was carried.

3. Approval of the Minutes

A motion to approve the minutes of September 20, 2023, AGM was moved by Claude Gauthier (GROWMARK, Inc.) and seconded by Martin Gillis (WFCU Credit Union). The motion was carried.

4. Chair & Executive Directors' Report

Board Chair Jordan Moat presented a report highlighting the significant achievements of the OCA over the past fiscal year, which was marked by transition, innovation, and growth. Key points included:

- The successful execution of key initiatives despite operational changes.
- A strong fiscal performance through careful resource management.
- The transition of the financial year-end to December 31st, 2024.
- Delivery of three core initiatives: Co-operative Education (including Co-operative Minds and ON Board training), Business Support for co-operatives (including virtual AGMs, governance training and bookkeeping services), and communication and promotion.
- The Co-operative Young Leaders program (CYL) hosted 65 campers over four weeks.

Executive Director Jennifer Ross expressed appreciation to the staff team and highlighted the effectiveness of the co-operative approach during challenging economic times. Key points included:

- A steady stream of inquiries about the co-operative model.
- The launch of a new website in spring 2024 to improve accessibility of services and resources to our members.
- Continued growth of our youth education programs.
- Ongoing Co-operative Development and Advocacy work with an educational approach.
- Financials were turned around for 2023 and 2024, working within budget.
- The fiscal year-end change to December 31st, 2024, to better align with programming.
- Plans for the Board to develop a three-year strategy.

Discussion:

Claude Gauthier, GROWMARK, Inc. asked about Government Relations initiatives. Jennifer responded that building relationships with the Ministry regarding the Ontario Business Registry is ongoing. Concerns around the offering statement process with FSRA peaked in the summer, and a Government Relations Committee meeting will be held to address key needs for the fall and next year, focusing on processing times and understanding from FSRA regarding capital raising. Potential elections will also require focused efforts.

A motion to receive the Chair and Executive Director's reports was moved by Mimi Regimbal (Sudbury Credit Union) and seconded by Steve Kingan (Frontline Credit Union). The motion was carried.

5. Treasurer's Report

Kathy Stewart presented an executive summary of the 2023-24 financial results. Key points included:

- A decrease in annual revenue of \$15,000, with a temporary decrease in membership offset by increased CYL camp registrations and service/product revenue.
- Total expenditure was lower than the previous year by \$129,000, primarily due to discontinuing the office lease and remote work for staff.
- Reclassification of salaries and benefits, with no separation of staff wages to programs and a reduction in outside contractors.
- The Membership Manager position remains vacant.
- The change in fiscal year-end to December 31st, 2024.
- A decrease in total expenditures for the CYL program was mainly due to not allocating the CYL director's wages to the program.

6. Auditors Report:

Kathy introduced Jennifer Riddell, Partner of RLB Chartered Professional Accountants, to present the audited financial statements. Jennifer presented the auditor's report. Key points included:

- An unqualified, clean audit opinion on the financial statements, as at March 31st, 2024.
- Financial position and cash flows were fairly presented in accordance with Canadian accounting standards for not-for-profit organizations.
- Similar financial position compared to the prior year, with an increase in deferred contributions.
- A surplus of \$5,540 for the year, resulting in net assets of \$228,000.
- Revenue was down by approximately \$15,000, offset by a \$129,000 decrease in expenses.
- The association has access to a line of credit but has not used it recently.
- Economic dependence on some larger members.
- The change in the year-end date to December 31st.

A motion to approve the audited financial statements dated March 31st, 2024, was moved by Kelly Storie (Canadian Worker Co-operative Federation) and seconded by Peter Cameron (Community Wealth Co-operative). The motion was carried.

The Board would like to appoint RLB Chartered Professional Accountants as our auditors for the 2024 fiscal year.

A motion to approve RLB Chartered Professional Accountants as the auditors for the 2024 fiscal year was moved by Greg Elliott (Co-operators) and seconded by Claude Gauthier (GROWMARK, Inc.) The motion was carried.

7. Proposed Bylaw Amendment:

The Board proposed a change to Bylaw 5.01 general (f) to increase the age limit for the youth director position from 25 to 35 years of age, aligning with other youth initiatives in the sector, and to use more inclusive language regarding pronouns. The specific wording changes were highlighted.

A motion to approve the change to Bylaw 5.01 (f) was moved by Kelly Phillips (Hay Communications Co-operative) and seconded by Steve Veldman (Gay Lea Foods Co-operative). The motion was carried.

8. Election of the Board of Directors

Chris Caners acted as the Returning Officer. The virtual voting procedures were explained. There were two vacancies: one Director at Large for a three-year term and one Youth Director for a one-year term.

Kathy Stewart (Frontline Credit Union) was the nominated candidate for the Director at Large position. There were no additional nominations from the floor for either position.

Kathy confirmed her willingness to stand for election.

As there were no nominations for the Youth Director position, the seat will remain open until the board can find a suitable candidate.

As there was only one nomination for the Director at Large position equal to the number of seats, the Returning Officer declared Kathy Stewart elected to the Director at Large position for a three-year term.

The following appointments with the board were approved by the board of directors: Wendy Carruthers, Co-operators for a second three-year term and Paul Emerick, GROWMARK, Inc. (Agris Co-operative) to fill the GORWMARK, Inc. vacant seat for a three-year term.

Dismiss Returning Officer: A motion to dismiss the Returning Officer was moved by Peter Cameron (Community Wealth Co-operative) and seconded by Martin Gillis (WFCU Credit Union) Carried.

9. New Business

None noted.

10. Closing Remarks & Adjournment

Jordan thanked all who attended and shared some thoughts on the value of co-operatives. A reminder was given to check out the Annual Report available online.

A motion was moved by Jordan Moat (Libro Credit Union) to adjourn the business meeting at 11:10am and seconded by Steve Kingan (Frontline Credit Union). The motion was carried.

ONTARIO CO-OPERATIVE ASSOCIATION INC.
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024

DRAFT

ONTARIO CO-OPERATIVE ASSOCIATION INC.

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INDEPENDENT AUDITOR'S REPORT

To the Members of: Ontario Co-operative Association Inc.

Opinion

We have audited the accompanying financial statements of Ontario Co-operative Association Inc., which comprise the statement of financial position as at December 31, 2024 and the statements of changes in net assets, operations and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Ontario Co-operative Association Inc. as at December 31, 2024 and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Opinion

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 Ontario Co-operative Association Inc. 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 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.

As 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 fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 organization'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 organization'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 organization 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.

Guelph, Ontario

Chartered Professional Accountants
Licensed Public Accountants

ONTARIO CO-OPERATIVE ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	2024 <i>December 31</i>	2024 <i>March 31</i> (note 9)
ASSETS		
CURRENT		
Cash	\$ 149,567	\$ 303,221
Short term investments	168,716	195,303
Accounts receivable	37,268	10,334
Prepaid expenses	1,905	1,905
Government remittances recoverable	6,817	0
	<u>364,273</u>	<u>510,763</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,006	\$ 23,767
Government remittances payable	0	21,839
Deferred membership dues revenue	75	149,695
Deferred contributions (note 8)	47,710	86,842
	<u>69,791</u>	<u>282,143</u>
NET ASSETS		
INTERNALLY RESTRICTED OPERATIONAL RESERVE (note 5)	120,000	120,000
UNRESTRICTED	<u>174,482</u>	<u>108,620</u>
	<u>294,482</u>	<u>228,620</u>
	<u>\$ 364,273</u>	<u>\$ 510,763</u>

APPROVED ON BEHALF OF THE BOARD:

Director

Director

ONTARIO CO-OPERATIVE ASSOCIATION INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD ENDED DECEMBER 31, 2024

	Internally Restricted Operational Reserve (note 5)	Unrestricted	2024 December 31	2024 March 31
NET ASSETS, beginning of period	\$ 120,000	\$ 108,620	\$ 228,620	\$ 223,080
Net revenues over expenses for the period	<u>0</u>	<u>65,862</u>	<u>65,862</u>	<u>5,540</u>
NET ASSETS, end of period	<u>\$ 120,000</u>	<u>\$ 174,482</u>	<u>\$ 294,482</u>	<u>\$ 228,620</u>

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ONTARIO CO-OPERATIVE ASSOCIATION INC.
STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED DECEMBER 31, 2024

	2024 <i>December 31</i> <i>(9 months)</i>	2024 <i>March 31</i> <i>(12 months)</i> <i>(note 9)</i>
REVENUES		
Membership dues (note 7)	\$ 322,218	\$ 330,608
Registrations	86,996	76,629
Sponsorship (note 6)	32,760	39,452
Services and products	28,535	57,198
Grants	21,250	11,683
Other program income	17,199	21,322
Other corporate income	13,700	3,606
Interest	6,609	7,633
Rental revenue	0	300
	<u>529,267</u>	<u>548,431</u>
CORPORATE EXPENSES		
Salaries and benefits	315,052	386,208
Contractors and consultants	13,327	15,460
Audit and legal fees	12,000	12,515
Computer software and accessories	10,820	15,206
Administrative and overhead	5,639	9,948
Insurance	4,465	8,133
Membership dues	2,847	3,471
Staff development and training	1,507	288
Corporate food and travel	1,460	2,313
Amortization	0	2,370
	<u>367,117</u>	<u>455,912</u>
PROGRAM EXPENSES		
Contracted services	77,887	74,515
Food and travel	8,282	7,619
Growth and engagement	7,717	3,114
Supplies	2,402	1,731
	<u>96,288</u>	<u>86,979</u>
NET REVENUES OVER EXPENSES for the period	<u>\$ 65,862</u>	<u>\$ 5,540</u>

ONTARIO CO-OPERATIVE ASSOCIATION INC.
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2024

	2024 <i>December 31</i> <i>(9 months)</i>	2024 <i>March 31</i> <i>(12 months)</i> <i>(note 9)</i>
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses for the period	\$ 65,862	\$ 5,540
Items not requiring an outlay of cash		
Amortization	<u>0</u>	<u>2,370</u>
	65,862	7,910
Changes in non-cash working capital		
Accounts receivable	(26,934)	(9,809)
Prepaid expenses	0	70
Deferred membership dues revenue	(149,620)	(3,592)
Deferred contributions	(39,132)	72,699
Accounts payable and accrued liabilities	(1,761)	6,883
Government remittances recoverable/payable	<u>(28,656)</u>	<u>3,483</u>
	<u>(180,241)</u>	<u>77,644</u>
CASH USED IN INVESTING ACTIVITIES		
Maturity of short term investments	26,587	104,672
Purchase of short term investments	<u>0</u>	<u>(106,346)</u>
	<u>26,587</u>	<u>(1,674)</u>
NET (DECREASE) INCREASE IN CASH	(153,654)	75,970
NET CASH, BEGINNING OF PERIOD	<u>303,221</u>	<u>227,251</u>
NET CASH, END OF PERIOD	<u>\$ 149,567</u>	<u>\$ 303,221</u>

ONTARIO CO-OPERATIVE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024

1. NATURE OF OPERATIONS

The Ontario Co-operative Association Inc. (the "organization") was incorporated as a co-operative without share capital on May 31, 2002 under the laws of the Ontario Co-operative Corporations Act and is engaged in the development, promotion and enhancement of co-operative organizations on a not-for-profit basis. The organization is a non-profit organization and, as such, is exempt from income tax under Section 149(1)(l) of the Income Tax Act.

Effective December 22, 2023 the organization received approval from the Canada Revenue Agency to change its year end from March 31 to December 31.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured, specifically:

Membership dues - revenue from membership dues are recognized over the membership period and when collection is reasonably assured.

Grants - revenue from grants and donations is recognized in the period in which the related expenses are incurred.

Registrations and sponsorships - revenue from registrations and sponsorships is recognized in the period in which the related program or activity occurs with the exception of CYL brand sponsorships. Revenue from and allocated to CYL brand sponsorships is recognized when received or receivable and collection is reasonably assured.

Services and products - revenue from services and products is recognized when the services are performed and collection is reasonably assured.

All other revenues are recognized when received or receivable if the amount to be received can be estimated and collection is reasonably assured.

Funds received prior to being recognized as revenue are deferred until the period in which the recognition requirements have been satisfied.

ONTARIO CO-OPERATIVE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) CASH AND SHORT TERM INVESTMENTS

The organization's policy is to disclose bank balances under cash, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

The organization's policy is to disclose Guaranteed Investment Certificates, including those with maturities of three months or less from the date of the financial statements, as short term investments rather than cash equivalents as the intention is to reinvest these instruments upon maturity.

(c) CONTRIBUTED MATERIALS AND SERVICES

A number of organizations and individuals donate materials to the organization and a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed materials and services are not recorded in the financial statements.

(d) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant areas requiring management's estimates include the valuation of accounts receivable and accrued liabilities.. Actual results could differ from those estimates.

(e) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for a related party transaction which is recorded at cost and measured using the carrying amount or exchange amount depending on the circumstances.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

The organization's financial assets measured at fair value include all guaranteed investment certificates, included in short term investments on the statement of financial position.

Impairment

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there are, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

ONTARIO CO-OPERATIVE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) FINANCIAL INSTRUMENTS (continued)

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in operations in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in operations over the life of the instrument using the straight-line method.

(f) LEASES

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are amortized on a straight-line basis over the term of the lease to rental expense. At the inception of a capital lease, an asset and obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

(g) GOVERNMENT ASSISTANCE

Government assistance towards current expenses or revenues are included in the determination of net revenues over expenses (expenses over revenues) for the year. When government assistance relates to expenses of future accounting periods, the appropriate amounts are deferred and amortized to revenues as related expenses are incurred. Government assistance towards the acquisition of capital assets are deferred and amortized to revenues on the same basis as the related depreciable capital asset.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the organization's exposure to these risks did not change in the period ended December 31, 2024 compared to the previous year. The organization does not have a significant exposure to any individual customer or counterpart.

Transacting in financial instruments exposes the organization to certain financial risks and uncertainties. These risks include:

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the organization by failing to discharge an obligation. The organization's credit risk is mainly related to accounts receivable from members and customers that operate in the same industry.

ONTARIO CO-OPERATIVE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024

3. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity risk as a result of accounts payable and accrued liabilities. The organization controls liquidity risk by management of working capital, cash flows and the availability of borrowing facilities.

Market risk

Market risk is the risk that the fair value or future cash flows of the organization's financial instruments will fluctuate because of changes in market prices. Some of the organization's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk. The organization is primarily exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk as a result of the floating interest rate on the bank line of credit, which is a prime-based interest rate.

4. LINE OF CREDIT

The organization has access to a line of credit to a maximum of \$50,000, which was unutilized as at December 31, 2024 (March 31, 2024 - unutilized). Interest is charged at a rate of prime plus 1.00% and is secured by a general security agreement covering all assets of the organization.

5. INTERNALLY RESTRICTED OPERATIONAL RESERVE

The purpose of the operational reserve is to accommodate situations that have not been anticipated. It could be useful for an uncomplicated shutdown of the organization in the event of an unforeseen future occurrence. Alternatively, the funds could be used to bridge staff salaries due to the cyclical nature of grants and the changes in revenue streams. The reserve represents approximately three months of operational expenses. This internally restricted amount is not available for other purposes without approval of the Board of Directors.

6. CYL BRAND SPONSORSHIP REVENUE

Included in sponsorship revenue is \$27,450 (March 31, 2024 - \$29,642) related to CYL brand sponsorships which is recorded as received or receivable as per note 2(a).

7. ECONOMIC DEPENDENCE

The organization is economically dependent on some of its largest members, with 43% (March 31, 2024 - 46%) of revenue generated from three members (March 31, 2024 - three members) in the year. This is within the normal course of operations for the organization and any economic dependence on membership dues is mitigated by diversification of other revenue sources.

ONTARIO CO-OPERATIVE ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2024

8. DEFERRED CONTRIBUTIONS

Deferred contributions, which consist of the unexpended portion of grant, sponsorship, and registration revenue received that relates to future periods less related expenditures, is as follows:

	2024 <i>December 31</i>	2024 <i>March 31</i>
Balance, beginning of the period	\$ 86,842	\$ 14,143
Less amount recognized as revenue in the period	(86,842)	(14,143)
Plus amount received related to the following year	<u>47,710</u>	<u>86,842</u>
Balance, end of period	<u>\$ 47,710</u>	<u>\$ 86,842</u>

9. CORRESPONDING FIGURES

Certain figures presented for corresponding purposes have been reclassified to conform to the current period's presentation.

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