

**CREDIT UNION DEPOSIT GUARANTEE CORPORATION**  
**Financial Statements**  
**Year Ended March 31, 2025**

**CREDIT UNION DEPOSIT GUARANTEE CORPORATION**

**Index to Financial Statements**

**Year Ended March 31, 2025**

---

	Page
<b>Independent Auditor's Report</b>	1 - 3
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Comprehensive Income and Fund Balance	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 21



OFFICE OF THE AUDITOR GENERAL  
NEWFOUNDLAND AND LABRADOR

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Credit Union Deposit Guarantee Corporation  
St. John's, Newfoundland and Labrador

### Opinion

I have audited the financial statements of the Credit Union Deposit Guarantee Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2025, and the statements of comprehensive income and fund balance, and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union Deposit Guarantee Corporation as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

## **Independent Auditor's Report (cont.)**

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

### **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 IFRS Accounting Standards, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

### Independent Auditor's Report (cont.)

- 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 my 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 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 Corporation'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 Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation 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.

I 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 I identify during my audit.



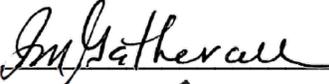
**DENISE HANRAHAN, CPA, MBA, ICD.D**  
**Auditor General**

June 26, 2025  
St. John's, Newfoundland and Labrador

**CREDIT UNION DEPOSIT GUARANTEE CORPORATION****Statement of Financial Position****As at March 31, 2025**

	2025	2024
<b>Assets</b>		
Cash	\$ 5,106,899	\$ 1,049,409
Investments (Note 4)	18,075,720	19,900,110
Interest receivable	354,203	287,343
Assessment receivable	132,802	-
Harmonized sales tax recoverable	16,870	11,813
Prepaid expenses	312,325	267,883
Property, plant and equipment (Note 5)	8,482	9,233
Right to use asset (Note 6)	74,442	28,598
	<b>\$ 24,081,743</b>	<b>\$ 21,554,389</b>
<b>Liabilities and Fund Balance</b>		
Accounts payable and accrued liabilities	\$ 54,573	\$ 37,818
Employee leave payable	242,651	225,976
Unearned insurance revenue	308,901	286,877
Lease liability – right to use	74,891	28,777
	<b>681,016</b>	<b>579,448</b>
<b>Fund Balance</b>	<b>23,400,727</b>	<b>20,974,941</b>
	<b>\$ 24,081,743</b>	<b>\$ 21,554,389</b>

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See notes to financial statements

**CREDIT UNION DEPOSIT GUARANTEE CORPORATION**  
**Statement of Comprehensive Income and Fund Balance**  
**For the year ended March 31, 2025**

	2025	2024
<b>Fees</b>		
Assessments	\$ 2,242,035	\$ 2,121,066
Bonding insurance	389,844	360,617
Interest	1,000,929	868,192
Other	791	9,143
	<b>3,633,599</b>	<b>3,359,018</b>
<b>Expenses</b>		
Salaries and wages	620,104	631,425
Insurance	348,209	318,303
Training	52,962	55,903
Amortization	42,353	40,952
Professional fees	37,753	11,363
Meetings and conventions	28,887	28,352
Directors fees	15,740	14,635
Travel	14,460	13,786
Data access costs	14,073	13,276
Office	12,619	18,278
Examinations	9,998	8,427
Advertising and promotion	9,157	8,643
Right to use interest	1,498	701
	<b>1,207,813</b>	<b>1,164,044</b>
<b>Net Income</b>	<b>2,425,786</b>	<b>2,194,974</b>
<b>Fund Balance – Beginning of Period</b>	<b>20,974,941</b>	<b>18,779,967</b>
<b>Fund Balance – End of Period</b>	<b>\$ 23,400,727</b>	<b>\$ 20,974,941</b>

See notes to financial statements

**Credit Union Deposit Guarantee Corporation**  
**Statement of Cash Flows**  
**For the year ended March 31, 2025**

	2025	2024
<b>Operating Activities</b>		
Net income	\$ 2,425,786	\$ 2,194,974
Items not affecting cash:		
Amortization	42,353	40,952
Interest revenue	(1,000,929)	(868,192)
Loss on disposal of property, plant and equipment	365	308
	<b>1,467,575</b>	<b>1,368,042</b>
Changes in non-cash working capital:		
Interest receivable	934,069	910,752
Assessment receivable	(132,802)	-
Accounts payable and accrued liabilities	16,755	18,802
Employee leave payable	16,675	17,858
Prepaid expenses	(44,442)	(46,323)
Harmonized sales tax recoverable	(5,057)	10,845
Unearned insurance revenue	22,024	29,748
	<b>807,222</b>	<b>941,682</b>
Cash flow from operating activities	<b>2,274,797</b>	<b>2,309,724</b>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(2,499)	(2,889)
Acquisition of right to use asset	(85,312)	(38,131)
Proceeds from investments	19,900,010	7,500,000
Purchase of investments	(18,075,620)	(11,200,000)
Cash flow from (used in) investing activities	<b>1,736,579</b>	<b>(3,741,020)</b>
<b>Financing Activities</b>		
Lease liability – right to use	46,114	(186)
Cash flow from (used in) financing activities	<b>46,114</b>	<b>(186)</b>
<b>Increase (decrease) in Cash</b>	<b>4,057,490</b>	<b>(1,431,482)</b>
Cash - beginning of period	1,049,409	2,480,891
Cash – end of period	<b>\$ 5,106,899</b>	<b>\$ 1,049,409</b>

See notes to financial statements

**1. Reporting Entity**

The Credit Union Deposit Guarantee Corporation (the "Corporation") is established as a corporation without share capital under the provisions of Section 133 of the Credit Union Act, 2009 (the Act). The Corporation is the deposit guarantor and the primary regulator for Newfoundland and Labrador credit unions.

The Corporation is domiciled in Canada. The address of the Corporation's office is P. O. Box 340, Marystown, NL. A0E 2M0.

The Corporation is subject to federal income tax pursuant to the provisions of the Income Tax Act as it is classified as a "Deposit Insurance Corporation".

**2. Basis of Preparation**

**Statement of compliance**

These financial statements are general purpose financial statements which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). The financial statements for the year ended March 31, 2025 were authorized for issue by the Corporation's Board of Directors on June 26, 2025.

**Basis of preparation**

These financial statements are presented in Canadian dollars which is the Corporation's functional currency. They are prepared on the historical cost basis except for financial instruments at fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVTOCI"), which are stated at their fair values.

**Use of significant accounting judgments, estimates and assumptions**

The preparation of these financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosures of contingent assets and contingent liabilities at the date of these financial statements, and the reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under

(continues)

**2. Basis of Preparation (continued)**

the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from estimates made in these financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards have a significant effect on these financial statements. Outlined below are areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the Corporation's financial statements:

(a) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the Statement of Financial Position cannot be derived from observable markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair values. The judgements include considerations of liquidity and model inputs such as volatility for longer dated derivatives, discount rates and prepayment rates. The valuation of financial instruments is discussed in more detail in Note 7.

(b) Provisions

The amount recognized as accounts payable and accrued liabilities, employee leave payable, and lease liability – right to use, is the best estimate of the consideration required to settle the related liability, taking into account the risks and uncertainties surrounding the obligation.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing these financial statements are reasonable. Actual results in the future may differ materially from those reported.

(continues)

**2. Basis of Preparation (continued)**

Assistance to credit unions, which is included in accounts payable and accrued liabilities, is management's best estimate of the consideration required to settle the related liability, taking into account the risks and uncertainties surrounding the obligation.

(c) Economic lives of property, plant and equipment

Management determines the estimated useful lives of its property, plant and equipment based on historical experience of the actual lives of property, plant and equipment of similar nature and functions, and reviews these estimates at the end of each reporting period.

The useful life of the right to use asset is based on the terms of the lease associated with the asset.

(d) New standards implemented

There were no standards implemented during the period that were relevant to the Corporation.

(e) Future standards

There were no future standards that are expected to have a significant impact on the Corporation.

**3. Other Significant Accounting Policies**

**Financial instruments**

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

(continues)

**3. Other Significant Account Policies (continued)**

(a) Financial assets

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding, are subsequently measured at amortized cost;

The measurement and classification categories of financial assets in accordance with IFRS 9 are outlined below. The Corporation has no debt instruments that are subsequently measured at FVTOCI.

<b><u>Financial Instrument</u></b>	<b><u>Classification</u></b>
Cash	Amortized cost
Investments	Amortized cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Employee leave payable	Amortized cost
Lease liability – right to use	Amortized cost

For the purpose of the SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the

(continues)

**3. Other Significant Account Policies (continued)**

financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

**Contractual cash flows that are SPPI are consistent with a basic lending arrangement**

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Corporation determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Corporation's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Corporation has business models for managing its financial instruments which reflect how the Corporation manages its financial assets in order to generate cash flows. The Corporation's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Corporation considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Corporation does not reasonably expect to occur, such as so-called "worst case" or "stress case" scenarios.

(b) Debt instruments at amortized cost

The Corporation assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Corporation's business model for managing the asset.

(continues)

**3. Other Significant Account Policies (continued)**

For an asset to be classified and measured at amortized cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

At initial recognition of a financial asset, the Corporation determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Corporation reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Corporation has not identified a change in business models.

Debt instruments are measured at amortized cost using the effective interest method, and are subject to impairment. Interest income on debt instruments at amortized cost is recognized in interest income on the statement of comprehensive income.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability, and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(c) Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 7.

(d) Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified

(continues)

**3. Other Significant Account Policies (continued)**

between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is modified, the Corporation assesses whether this modification results in derecognition. In accordance with the Corporation's policy, a modification results in derecognition when it gives rise to substantially different terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Corporation determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime probability of default estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime probability of default at the reporting date based on the modified terms.

The Corporation derecognizes a financial asset only when the contractual rights to the asset's cash flows expire, or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost other than in its entirety (e.g. when the Corporation retains an option to repurchase part of a transferred asset), the Corporation allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized is recognized in income.

(continues)

**3. Other Significant Account Policies (continued)**

(e) Financial liabilities

The Corporation is required to classify all financial liabilities as either financial liabilities 'at FVTPL' or 'other financial liabilities'. All of the Corporation's financial liabilities are classified as other financial liabilities.

(f) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

(g) Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**Cash**

Cash consists of balances with banks.

**Prepaid expense**

Prepaid expenses are charged to the expense over the periods expected to benefit from it.

**Property, plant and equipment**

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Signage	20%	declining balance method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method

The Corporation regularly reviews its property, plant and equipment to eliminate obsolete items.

(continues)

**3. Other Significant Account Policies (continued)**

Property, plant and equipment acquired during the period but not placed into use are not amortized until they are placed into use.

**Right to use**

Right to use assets represents the photocopier lease and the area that is leased for office space valued at the present value of all lease payments during the contract term. The Corporation does not recognize right to use assets or lease liabilities for short-term leases with a term of less than 12 months.

**Revenue recognition**

The Corporation recognizes assessment revenue based on a percentage of insured deposits of individual provincially regulated credit unions operating within the Province of Newfoundland and Labrador.

Interest revenue is recognized based on the investment interest earned during the period.

Bonding revenue is recognized based on a percentage of individual credit unions' assets plus a \$60,000 fee that is allocated to the provincially regulated Newfoundland and Labrador credit unions based on a pre-determined formula.

Unearned insurance revenue is recorded to revenue in the period that it is earned.

**Assistance to credit unions**

Assistance to credit unions is recorded only when it can be reasonably determined by the Corporation that such a payment will be required and when the Board of Directors has assessed the reasonableness of such a charge and authorized the assistance as a commitment of the Fund. The determination of the assistance requires the exercise of judgement because the precise amount, method and timing of such assistance is dependent on future events. The amount of actual assistance paid and possible future assistance is disclosed in the financial statements.

**Pension costs**

Employees of the Corporation are included in the Public Service Pension Plan of the Government of Newfoundland and Labrador. Contributions to the plans are

(continues)

**3. Other Significant Account Policies (continued)**

required from both the employees and the Corporation. The annual contributions for pension are recognized in the accounts on a current basis. The Corporation's contributions to this plan plus the Corporation's contributions to registered retirement savings plans totaled \$49,210 (2024 - \$50,972).

**Future income taxes**

Income taxes are reported using the future income taxes method, as follows: current income tax expense is the estimated income taxes payable for the current period after any refunds or the use of losses incurred in previous periods, and future income taxes reflect:

- i. the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts used for tax purposes; and
- ii. the benefit of unutilized tax losses that will more likely than not be realized and carried forward to future periods to reduce income taxes.

Future income taxes are estimated using the rates enacted by tax law and those substantively enacted for the periods in which future income taxes assets are likely to be realized, or future income tax liabilities settled. The effect of a change in tax rates on future income tax assets and liabilities is included in earnings in the period when the change is substantively enacted.

**Credit Union Deposit Guarantee Corporation**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

**4. Investments**

	<b>2025</b>	<b>2024</b>
BMO term deposit, 5.39%, Matured on November 28, 2024	\$ -	\$ 7,200,000
BMO term deposit, 5.05%, Matured on March 27, 2025	-	2,000,000
BMO term deposit, 5.12%, maturing May 29, 2025	<b>5,300,000</b>	
BMO term deposit, 3.55% maturing November 28, 2025	<b>7,200,000</b>	
Concentra term deposit, 4.30%, Matured on May 30, 2024	-	5,700,000
Concentra term deposit, 4.40%, Matured on December 2, 2024	-	5,000,000
Scotiabank term deposit, 3.60% maturing December 3, 2025	<b>3,550,000</b>	
Scotiabank High Interest Savings Account, variable	<b>2,025,620</b>	
Newfoundland and Labrador Credit Union share	<b>100</b>	100
Concentra share	-	10
<b>Total</b>	<b>\$ 18,075,720</b>	<b>\$ 19,900,110</b>

**5. Property, Plant and Equipment**

	<b>2025</b>			
<b>Property, plant and equipment</b>	<b>Computers</b>	<b>Signage</b>	<b>Furniture and Fixtures</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Cost</b>				
Balance, beginning of period	14,539	1,547	17,217	33,303
Additions	2,499	-	-	2,499
Disposals	(2,654)	-	(3,096)	(5,750)
Balance, end of period	14,384	1,547	14,121	30,052
<b>Accumulated Amortization</b>				
Balance, beginning of period	7,907	1,435	14,728	24,070
Reductions on disposal	(2,418)	-	(2,967)	(5,385)
Amortization expense	2,365	22	498	2,885
Balance, end of period	7,854	1,457	12,259	21,570
<b>Net book value</b>	<b>6,530</b>	<b>90</b>	<b>1,862</b>	<b>8,482</b>

(continues)

**Credit Union Deposit Guarantee Corporation**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

**5. Property, Plant and Equipment (continued)**

<b>Property, plant and equipment</b>	<b>2024</b>			
	<b>Computers</b>	<b>Signage</b>	<b>Furniture and Fixtures</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>				
Balance, beginning of period	17,203	1,547	17,217	35,967
Additions	2,889	-	-	2,889
Disposals	(5,553)	-	-	(5,553)
Balance, end of period	14,539	1,547	17,217	33,303
<b>Accumulated Amortization</b>				
Balance, beginning of period	10,796	1,407	14,106	26,309
Reductions on disposal	(5,245)	-	-	(5,245)
Amortization expense	2,356	28	622	3,006
Balance, end of period	7,907	1,435	14,728	24,070
<b>Net book value</b>	<b>6,632</b>	<b>112</b>	<b>2,489</b>	<b>9,233</b>

**6. Right To Use Asset**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Cost</b>		
Balance, beginning of period	38,131	75,769
Additions	85,312	38,131
Disposals	(38,131)	(75,769)
Balance, end of period	85,312	38,131
<b>Accumulated Amortization</b>		
Balance, beginning of period	9,533	47,356
Reductions on disposal	(38,131)	(75,769)
Amortization expense	39,468	37,946
Balance end of period	10,870	9,533
<b>Net Book Value</b>	<b>74,442</b>	<b>28,598</b>

The right to use asset represents the photocopier lease and the area that is leased for office space.

**7. Fair Value of Financial Instruments**

The Corporation's financial instruments are comprised of cash, investments, receivables, accounts payable and accrued liabilities, employee leave payable, and lease liability – right to use.

Cash is reported at fair value on the balance sheet. Receivables, accounts payable and accrued liabilities, employee leave payable, and lease liability – right to use are reported at amortized cost which approximates fair value due to their short term nature. Investments are reported at amortized cost using the effective interest method which approximates their fair value.

**8. Nature and Extent of Risk Arising From Financial Instruments**

The Corporation is exposed to the following risks as a result of holding financial instruments: credit risk, market risk and liquidity risk. The following is a description of those risks and how the Corporation manages the exposure to them.

**Credit Risk**

Credit risk is the risk that a financial loss will occur due to the failure of a counterparty to discharge its contractual commitment or obligation to the Corporation. Credit risk may arise principally through its investments included in the Corporation's asset portfolio.

The Corporation manages this risk by making investments in accordance with the investment policy established by the Board of Directors which permits the Corporation to invest in high quality, liquid short-term investments. Equity investments are not permitted.

**Market Risk**

Market risk arises from changes in interest rates on investments in its portfolio that affect the Corporation's net interest income. The Corporation's goal is to maximize its return on these portfolios, without taking unreasonable risk and retaining a high degree of liquidity.

The Corporation manages this risk by investing in securities that are not susceptible to significant changes in rates of return to the Corporation caused by changes in market values of the investments.

(continues)

**8. Nature and Extent of Risk Arising From Financial Instruments (continued)**

**Liquidity Risk**

Liquidity risk is the risk of having insufficient financial resources to meet the Corporation's funding requirements.

The Corporation's liquidity policies and practices include the measurement and forecast of cash flows and maintenance of a pool of high quality liquid assets.

**9. Income Taxes**

Credit union assessments and assistance to credit unions are excluded from the calculation of taxable income.

The undepreciated capital cost for income tax purposes of the Corporation's depreciable assets exceeds the net book value by \$63,891.

The Corporation has the following non-capital losses available, listed by year of expiry, which can be used to reduce future years' taxable income. The potential income tax benefits associated with these items have not been recognized in the financial statements.

	\$	36,023	2027
		387,654	2028
		434,292	2029
		575,432	2030
		654,705	2031
		658,896	2032
		631,274	2033
		565,881	2034
		607,889	2035
		598,445	2036
		589,009	2037
		571,067	2038
		381,627	2039
		447,197	2040
		696,225	2041
		351,676	2042
		249,431	2043
	\$	<b>8,436,723</b>	

---

**10. Commitments**

The Corporation has entered into a lease agreement for office space which expires December 31, 2026. The remaining amount payable (including interest) is \$72,379 plus HST.

The Corporation has entered into a lease agreement for photocopier which expires June 13, 2029. The remaining amount payable is \$4,933 plus HST.

**11. Related Party Transactions**

The Corporation's compensation, including the employers' portion of benefits, to key management personnel in 2024-2025, which are defined by IAS 24, Related Party Disclosures, as those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, including directors and management was \$255,321 (2023-2024 - \$272,359).