

CREDIT UNION DEPOSIT GUARANTEE CORPORATION

**Protecting Credit Union Member
Deposits for Over 30 Years**



ANNUAL BUSINESS REPORT 2024-25

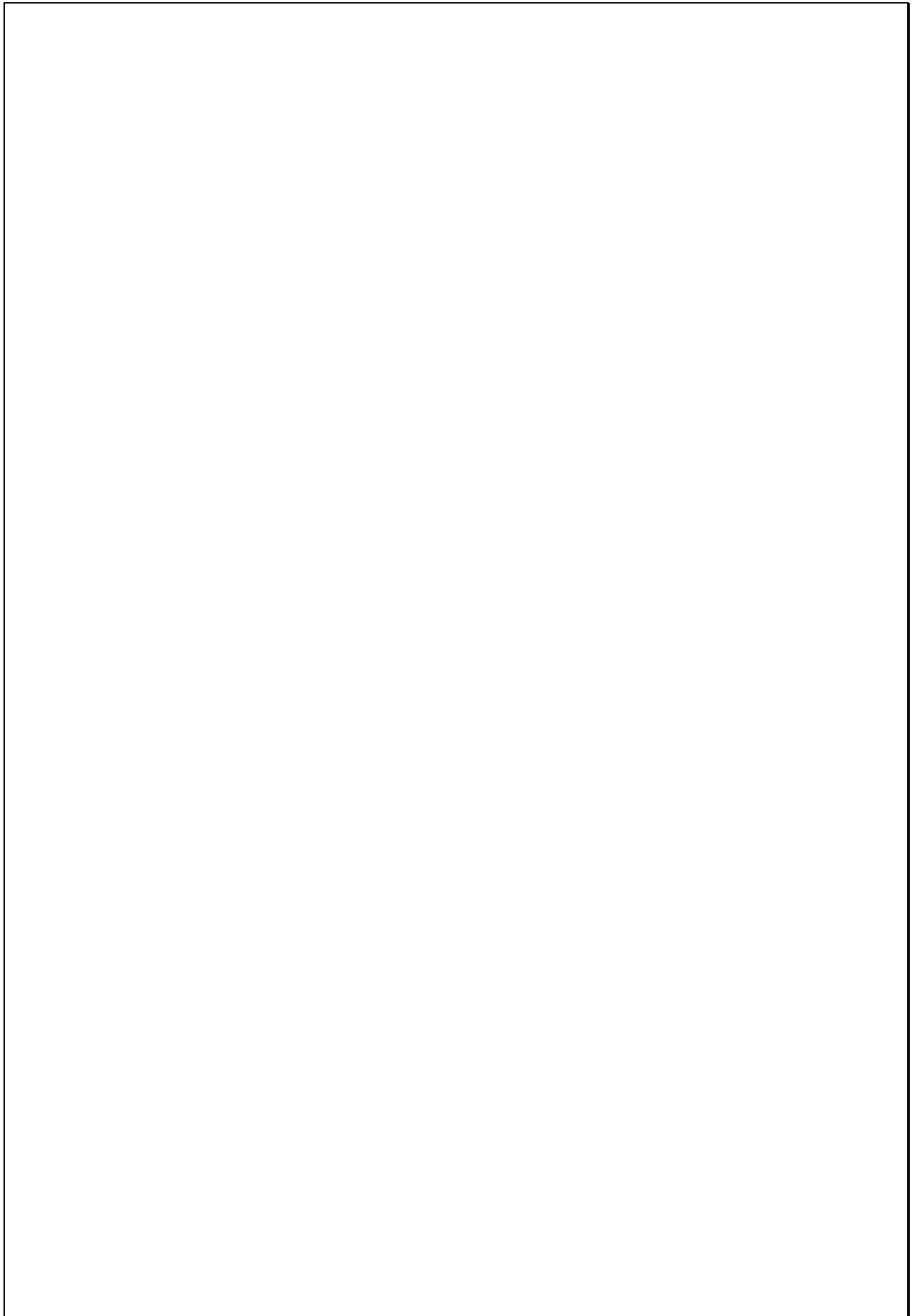


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Chairperson's Report

On behalf of the Board of Directors of the Credit Union Deposit Guarantee Corporation (the Corporation), I am pleased to submit the Annual Business Report for the fiscal year ended March 31, 2025.

The mandate of the Corporation is to protect the qualifying investments of credit union members. The Corporation facilitates the financial stability of the credit union system by monitoring credit unions to ensure they comply with legislation and exercise sound business practices.

The Board of the Corporation acknowledges it is accountable for the actual results reported. This Report is prepared in compliance with the **Transparency and Accountability Act**, which requires the Corporation to prepare a yearly report based on its categorization as a Category 2 Government entity.

The Board thanks the management and staff of the Corporation for their dedication, support and their important role in ensuring a strong credit union system in this province.

The Board would like to acknowledge the cooperation of credit union directors and management in supporting the work of the Corporation.

On behalf of the Board of Directors,



Joan Marie Gatherall

Chairperson

Overview

The Corporation is responsible for the administration of the **Credit Union Act, 2009** (the Act) and the **Credit Union Regulations, 2009**, for the stabilization of the credit union system and for providing deposit insurance to credit union members. It monitors and examines the financial affairs of credit unions and works with credit unions to resolve deficiencies identified through this process. The Corporation may impose financial and governance standards for credit unions and enforce sound business practices. It has the authority to place credit unions under supervision and to act as administrator and/or liquidator, pursuant to the Act.

For 2024-25, the Corporation had six employees: four located in Marystown and two in St. John's. The Board of Directors (the Board) consists of eight directors. Five directors are selected from credit union system nominees, two directors represent Government departments, and one director is appointed by the Minister of Digital Government and Service NL (renamed Government Modernization and Service Delivery after the reporting period) to represent the public interest. The current membership of the Board can be found in Appendix A. The Chief Executive Officer (CEO) is the Secretary/Treasurer of the Board but is not a voting member.

The Board's functions are to oversee the regulation of the province's credit union industry and make key decisions that are critical to the Corporation achieving its mandate. The Board is responsible for submitting a budget for the approval of the Minister. Board decisions are achieved through consensus or a majority vote, as necessary. There were four scheduled Board meetings held during 2024-25. Between scheduled board meetings board members also considered a number of routine matters via teleconference or email. Any decisions between board meetings were recorded in the minutes of subsequent meetings. In addition, Directors and staff represented the Corporation at a number of credit union annual general meetings as well as meetings and conferences of various Atlantic and national stakeholders.

Vision

Newfoundlanders and Labradorians have access to a credit union system that is strong, stable and successful.

Mandate

The mandate of the Credit Union Deposit Guarantee Corporation is to protect the qualifying investments of credit union members and to facilitate the financial stability of the credit union system by requiring credit unions to comply with legislation and exercise sound business practices. The legislative duties of the Corporation are outlined in section 134 of the Act as contained in Appendix B.

Lines of Business

The Corporation provides the following lines of business to its primary clients:

1. Regulation of Credit Unions

The Corporation regulates credit unions through its examination, monitoring and enforcement activities.

- Examination

The Corporation examines credit unions for compliance with legislation and sound business practices. The Corporation utilizes a risk-based approach to determine credit unions that will be examined. The Corporation also performs regular desk audits.

- Monitoring

Monthly, quarterly, and annually, the Corporation receives financial statements and other regulatory reports from credit unions. Reports are reviewed and, if necessary, remedial action is taken. Annually, the Corporation also reviews independent audited statements of credit unions prepared by accountants licensed under the **Chartered Professional**

Accountants and Public Accountants Act.

- Enforcement

In the event of non-compliance (after the expiry of any approved exemption) credit unions are assessed fines and penalties pursuant to legislation and/or are placed under supervision by the Corporation.

2. Deposit Insurance

The Corporation provides deposit insurance on deposits of credit union members equal to a maximum \$250,000 per insured deposit. There are four insured deposit categories:

- Basic deposits
- Joint deposits
- Registered deposits
- Trust accounts

3. Stabilization

The Corporation stabilizes credit unions through supervision, training and risk management activities.

– Supervision

Pursuant to the legislation, credit unions experiencing on-going difficulties may be placed under supervision. The degree of supervision depends on the severity of the problem.

The supervision process could involve requiring a credit union to prepare a plan to address the problem creating the difficulty and monitoring for compliance or replacing the Board of Directors and amalgamating the credit union with another credit union or eventually winding up a credit union.

– Training

In accordance with the Regulations, the Corporation may prescribe the minimum level of training for a director or officer of a credit union. The Corporation encourages training of directors in good corporate governance practices by financially supporting director training.

– Risk Management

The Corporation directly administers five insurance policies on behalf of the credit union system. The five policies are Bonding, Directors & Officers Liability, Corporate Errors and Omissions, Employment Practices Liability and On-line Banking. The Corporation also serves as the provincial representative on national insurance related committees. The Corporation ensures that minimum coverage levels are maintained by credit unions where the insurance is not directly administered by the Corporation (e.g. Privacy and Cyber).

Financial

The Corporation is self-funding and does not receive any public grants for its operating needs. Revenues are generated from deposit insurance assessments received from credit unions, premiums received from credit unions on insurance programs, and investment income. The Corporation's primary operating expenses include salaries and benefits, insurance premiums and other operating costs such as travel and administration.

The Corporation's reported net income was \$2,425,786 in 2024-25 as compared to \$2,194,974 for the period ending March 31, 2024.

The Deposit Guarantee Fund Balance at the end of March 31, 2025, was \$23,400,727 as compared to \$20,974,941 as of March 31, 2024. The Corporation reported assets of \$24,081,743 at the end of March 31, 2025, compared to \$21,554,389 as of March 31, 2024.

The audited financial statements of the Corporation are contained in Appendix C of this report.

Highlights and Partnerships

The Corporation's financial and operational performance for the fiscal year of April 1, 2024 to March 31, 2025 is outlined below:

Operational:

The Government of Canada introduced legislation to begin implementation of "Consumer Driven Banking" (CDB), also known as Open Banking. The Corporation participated in multiple teleconferences and meetings hosted by the Department of Finance of Canada (Finance Canada) and provided requested feedback to Finance Canada about CDB. Further federal legislation required to fully implement CDB is under development by Finance Canada. The Corporation is also evaluating the impact that CDB could have on provincially regulated credit unions and Corporation operations.

The Corporation, supported by the Office of the Chief Information Officer (OCIO), began implementation of an information system to administer unclaimed balances. The system was at an advanced stage of development as of March 31, 2025.

Tariffs proposed by the United States (US) was a significant topic for the Corporation starting in January 2025. The Corporation discussed the potential impact of tariffs and the Canadian response with federal and provincial counterparts and credit union representatives. The parties also discussed potential measures to minimize the impact of the tariffs. The Corporation refocused its monitoring on areas that could be most impacted by the potential tariffs. The Corporation is working with federal and provincial regulators, and other stakeholders, to ensure that the Corporation is ready to respond if required. A change in the **Credit Union Regulations, 2009** was made to allow credit unions to more readily participate in any support programs offered by the Federal and Provincial governments.

As part of the response to US tariffs the Federal government, territories and the provinces actively discussed the elimination or reduction of interprovincial trade barriers. Financial services, such as those provided by credit unions, are included within the scope of the negotiations. The Corporation is monitoring the progress of the discussions for potential impacts on provincial credit unions and the Corporation.

Starting in January 2025 credit unions in the province started converting to a new core banking system. This is a significant undertaking by credit unions and the Corporation received monthly updates on the overall implementation status and specific updates as credit unions converted. The Corporation monitored the conversions undertaken to date to ensure that there were no significant adverse impacts on credit unions and their members. Any issues identified during the conversion were monitored to ensure the appropriate steps were undertaken by credit unions and their IT partners to address the issue.

The Corporation is monitoring and responding to the evolution of information technology (IT) used by credit unions. Ensuring the security of credit union member deposits and member information is a priority for the Corporation. The Corporation is supporting a strong credit union system by ensuring credit unions respond to the risks posed by IT,

including cyber threats, by adding an IT component to the Corporation's examination process.

Financial markets are identifying risks posed by climate change and the Corporation is engaged with other regulators in assessing if any regulatory response is required to deal with risks posed by climate change.

The Corporation completed one regulatory compliance examination and two IT security examinations during the year with another regulatory compliance examination at an advanced stage of completion at year end. The Corporation also completed a number of desk audits during the year. There were no deficiencies or non-compliance issues identified in the examinations or desk audits that posed significant risk to the credit union system.

The Corporation continued its focus on good governance and risk management practices by continuing its sponsorship of credit union employee and directors training and provided other governance assistance and support.

The Corporation is Master Policy Holder for five insurance policies. During the fiscal year 92 bonding applications were processed by Corporation staff. There were eight claims filed during the fiscal year.

Report on Performance

This Report is prepared in compliance with the **Transparency and Accountability Act**, which requires the Corporation to prepare a yearly report based on its categorization as a Category 2 Government entity. The following section outlines the Corporation's activities from April 1, 2024, to March 31, 2025, including the objectives achieved as outlined in the Corporation's 2023-2026 Business Plan.

Business plan 2023-2026 focused on two issues: Cyber Security and Legislative Changes.

Issue 1: Cyber Security

The first goal recognizes the evolving risks posed by the increasing use of complex information technology by credit unions and cyber security risks associated with such systems, including the risks posed by malicious parties. To help protect credit unions and their members, the Corporation will need to incorporate ways to identify and mitigate these risks in its insurance, examination programs and other activities.

Goal

By March 31, 2026, the Credit Union Deposit Guarantee Corporation will have implemented process changes and other measures to assist in protecting credit union members and supporting credit unions to manage risks related to information technology (IT) and cyber security.

Objective

By March 31, 2025, the Credit Union Deposit Guarantee Corporation will have commenced conducting IT and cyber security examinations.

Indicators

- Monitored the IT landscape for new risks that may need to be incorporated into the IT and cyber security examination.
 - Result: The Corporation monitored IT landscape. During the year the following were key sources of information:
 - partner insurance corporations;
 - the Office of the Chief Information Officer of the province;
 - Credit Union Prudential Supervisors Association (CUPSA) meetings and related Communities of Practice meetings;
 - Key credit union information technology providers; and
 - An IT examiner engaged by the Corporation to undertake IT examinations.
- Engaged a firm with the required qualifications to undertake IT and cyber security examination testing on behalf of the Corporation.
 - Result: A firm with the required qualifications was engaged and assisted the Corporation in understanding the current cyber security posture and required next steps.

- Commenced conducting IT and cyber security examinations.
 - Result: Two examinations were completed during the year.
- Provided an update to the Credit Union Managers Association on the IT and cyber security examination.
 - Result: Corporation staff discussed our IT and cyber security examination with individual members of the Credit Union Managers Association (CUMA) during various meetings and presented at the annual CUMA conference.

Objective for the year 2026

By March 31, 2026, the Credit Union Deposit Guarantee Corporation will have revised processes, including implementation of tools and deployment of resources, to assist in protecting credit union members and supporting credit unions in managing risks related to information systems and cyber risks.

Indicators

- Continued monitoring the IT landscape for new risks and mitigation options that may need to be incorporated into the IT and cyber security examination.
- Undertook IT and cyber security examinations on additional credit unions that were not previously examined.
- Provided updates to the Credit Union Managers Association on the IT and cyber security examinations conducted.
- Shared high level results of completed IT and cyber examinations with other provincial regulators, in particular with other Atlantic regulators.

Issue 2: Legislative Change

The second goal encompasses the processes required to implement new programs arising from amendments to the **Corporations Act** as well as assessing and implementing other administrative processes required by the revisions. For example, one new program is the implementation of a system to administer unclaimed balances transferred from the credit union system to the Corporation. This service will allow credit union members, or their beneficiaries, to claim unclaimed balances that may have been

forgotten or allow beneficiaries of the estate of a credit union member to identify and claim balances that they were not aware of.

Goal

By March 31, 2026, the Credit Union Deposit Guarantee Corporation will have implemented changes and new programs resulting from amendments to the **Credit Union Act, 2009** and Regulations.

Objective

By March 31, 2025, the Credit Union Deposit Guarantee Corporation will have consulted with the credit unions on the unclaimed balances program and confirmed possible gaps that may exist in the Act and Regulations.

Indicators

- Consulted directly with credit unions to gather more information about the unclaimed balances they hold and the process to transfer information and balances to the Corporation.
 - Result: The Corporation obtained information from credit unions about the unclaimed balances they hold. Meetings were also held with credit union representatives about specific aspects of the new system. Further discussions and testing are anticipated as the system nears completion.
- In conjunction with the OCIO, began the implementation of a system to administer unclaimed balances.
 - Result: The Corporation engaged the OCIO to assist in the development of an information system to manage the unclaimed balances program. The system is at an advanced stage of development.
- Updated or implemented policies to align with the legislative changes and considered other related administrative changes that may be required.
 - Result: The Corporation obtained information from credit unions about the unclaimed balances they hold. Meetings were also held with credit union representatives about specific aspects of the new system. Further discussions and testing are anticipated as the system nears completion.

- Consulted with the Credit Union Managers Association (CUMA) and the Canadian Credit Union Association (CCUA) on suggestions for further refinements to the Act and Regulations. The Corporation will communicate the results of the consultation to the Department of Digital Government and Service NL for its consideration.
 - Result: The Corporation discussed potential legislative changes with CUMA and representatives of the CCUA.
- Actively monitored the Federal government’s implementation of “Consumer-Driven Banking” for potential impacts on the Act and Regulations. Consumer-driven banking refers to frameworks that allow consumers and small businesses to securely transfer their financial data through an application programming interface (API) to approved service providers of their choice.
 - Result: The Government of Canada undertook extensive consultations with credit union regulators regarding the implementation of “Consumer Driven Banking” (CDB). The Corporation participated in the consultations and determined that CDB could have a significant impact on provincially regulated credit unions and the Corporation. The Corporation is continuing to monitor this initiative.

In late January 2025 the threat of US tariffs resulted in the Corporation, along with other Canadian jurisdictions, assessing the potential impact of the tariffs and the resulting Canadian response. The Corporation requested government modify an existing regulation to allow provincial credit unions to deliver commercial lending support programs that may be delivered by the Federal or Provincial government. The revised regulation took effect on March 12, 2025. The Corporation is monitoring the matter and will respond as required.

The Corporation discussed the legislative changes with CUMA and representatives of the CCUA and received feedback.

Objective for the year 2026

By March 31, 2026, the Credit Union Deposit Guarantee Corporation will have completed implementation of changes and new programs resulting from amendments to the **Credit Union Act, 2009** and Regulations.

Indicators:

- Implemented a system to administer unclaimed balances.
- Actively monitored the Federal government's implementation of "Consumer-Driven Banking" for potential impacts on the Act and Regulations.
- Assessed the impact on the Act and Regulations from some significant external developments that have occurred since the 2023-2026 Business Plan:
 - Trade tensions with the United States (US). The Corporation will have communicated with government about any act or regulation, or other regulatory changes required to respond effectively to tariffs.
 - Monitored federal/provincial negotiations to reduce interprovincial trade barriers. Financial services are included in the scope of existing agreements and consequently the outcome of the negotiations could impact the regulatory regime applicable to credit unions regulated by the Corporation.

Opportunities and Challenges Ahead**Opportunities**

1. To support the development of credit union directors, management and staff in the Newfoundland and Labrador credit union system by financially supporting training initiatives.
2. To maintain and enhance communication with credit union directors and management by attending annual general meetings, meetings between Corporation board members and credit union board members and attending provincial, regional, national and international credit union system and stakeholder meetings and conferences.
3. To support the continued prosperity of the credit union system by ensuring credit union legislation is appropriate to the needs of a growing and ever-changing credit union system.
4. To support the provincial credit union system while the system implements major updates to their IT environments.

5. To assist credit unions to ensure that their insurance coverage is appropriate.

Challenges

1. To ensure that provincially regulated credit unions are resilient in light of the potential economic disruptions posed by US tariffs and the Canadian response.
2. To ensure that credit union legislation is appropriate to the needs of a growing and ever-changing financial industry and credit union system. The Corporation will need to be ready to adapt to any changes required by the implementation of “Consumer-Driven Banking” being considered by the Federal government. This will require the Corporation to undertake a specific review of the Act and Regulations to ensure provincial credit unions can participate in Consumer-Driven Banking.
3. To ensure the Corporation’s staff and directors undertake educational opportunities to enable the Corporation to satisfactorily respond to new issues that may result from the rapid changes taking place in the financial services industry.
4. To ensure the Corporation’s examination and insurance programs adequately address risks arising from the increasingly complex and evolving IT environments at credit unions.
5. To ensure that the Corporation and its insurance partners can respond to the increasingly complex bonding applications and highly variable claims.
6. To ensure that credit unions consider and mitigate, where practical, risks related to climate change.

Appendix A – Director Profiles



Joan Marie Gatherall
Chair

Joan Marie Gatherall has 30 years of progressive and diverse financial, business and volunteer experience. She graduated with a Bachelor of Commerce (Hons) and received her Chartered Accountant designation in 1990. Over her career, she has worked in public practice, the Provincial government, the Credit Union System and private industry in various management roles. For 6 years, she was General Manager of the Credit Union Central of NL working with credit unions to improve performance and governance. She has been an active member of EasternEdge Credit Union for over 25 years. Her volunteer experience ranges from the local school community, The Kids Eat Smart Foundation and School Board Trustee. Ms. Gatherall is a credit union system nominee and was appointed as Chair of the Corporation in June 2022 for a two-year term.



Allison Chaytor-Loveys
Vice Chair

Allison Chaytor-Loveys retired as Chief Executive Officer at Newfoundland and Labrador Credit Union (NLCU) in December 2021. Ms. Chaytor-Loveys has 49 years' experience in the credit union system in Newfoundland and Labrador. She has also served as a Board Director nationally with Canadian Credit Union Association (CCUA) and with the World Organization of Co-Operative Credit Unions (WOCCU). Ms. Chaytor-Loveys is a credit union system nominee and was appointed as a director of the Corporation in June 2022 for a two-year term and in June 2024 reappointed for a 3-year term.

Appendix A – Director Profiles (cont.)



William Langthorne

William Langthorne, after working for forty-five years in the public and private sectors in various financial and management positions, retired in 2019. Mr. Langthorne worked the last thirty years as an employee of the Credit Union Deposit Guarantee Corporation and ended his career as Chief Executive Officer, board member and Superintendent of Credit Unions. He has been a member of a credit union for over thirty-five years. Mr. Langthorne was a licensed professional accountant (CPA-CGA) for over thirty years and has a Bachelor of Arts degree with a major in Economics and a minor in business from Memorial University. Mr. Langthorne is a credit union system nominee and was appointed as a director of the Corporation in June 2022 for a three-year term and in June 2024 reappointed for a 3-year term.



Natalie Templeman

Natalie Templeman is currently the Chief Information Officer of Newfoundland and Labrador Hydro and has over 24 years of experience in various leadership roles in the public sector. Ms. Templeman has a Bachelor of Commence degree from Memorial University. Ms. Templeman was appointed as the Public Interest Representative in June 2022 for a three-year term.



Jennifer Quilliam

Jennifer Quilliam is the Director of Policy, Planning, Accountability and Information Management with the Department of Finance. She is a Chartered Professional Accountant (CPA) and has a Master of Business Administration (MBA) from Memorial University. Ms. Quilliam has been an employee of the Government of Newfoundland and Labrador since 2012 and was appointed as the Department of Finance representative in June 2022.

Appendix A – Director Profiles (cont.)



Julian McCarthy

Julian McCarthy retired from the Newfoundland and Labrador civil service in 2019 after a successful 33-year career. He was the Assistant Deputy Minister of Consumer and Commercial Affairs, Department of Service NL, for 8 years prior to his retirement and also served as Chair of the Board for the Credit Union Deposit Guarantee Corporation during the same period. He spent most of his career regulating and auditing various sectors of the financial services, pensions and consumer affairs industries. He served on several national boards and organizations related to the regulation of the financial services and pensions industry during his career. Mr. McCarthy holds a Bachelor of Commerce (Hons) Degree from Memorial University. Mr. McCarthy is a credit union system nominee and was appointed as a director of the Corporation in June 2022 for a three-year term and in June 2024 reappointed for a 3-year term.



Brian Sparkes

Brian Sparkes leads the team for Load Forecasting and Market Analysis within NL Hydro. Prior to this role, Brian worked within the Energy Marketing team at Nalcor Energy and held the roles of Team Lead of Analytics and Energy Trader. Before joining NL Hydro, Brian spent twelve years working as a manager in the Credit Union system, both in Newfoundland and Alberta. He holds a Bachelor of Business Administration from Memorial University. Brian has previously sat on the Board for League Savings and Mortgage. Mr. Sparkes is a credit union system nominee and was appointed as a director of the Corporation in September 2022 for a three-year term.

Appendix A – Director Profiles (cont.)



Thomas Duggan

Thomas Duggan works for the Government of Newfoundland and Labrador as Director of Policy, Strategic Planning and French Services for the Department of Government Modernization and Service Delivery. He is one of two Government representatives on the board. Thomas has Masters' Degrees in English (University of New Brunswick 2024) and Political Science (Memorial University 2006). He is from Chapel's Cove, NL and currently lives in St. John's.

Appendix B – Mandate

Legislated Mandate (Source: **Credit Union Act, 2009**, SNL 2009, c.C-37.2)

134. The duties of the guarantee corporation are

- (a) to provide, for the benefit of persons having deposits with credit unions in the province, deposit insurance against loss of part or all of those deposits by making payments to the depositors to the extent and in the manner authorized by this Act;
- (b) in those circumstances that the guarantee corporation considers appropriate, to provide assistance to credit unions for the purpose of stabilization or for the orderly liquidation of a credit union;
- (c) to protect deposits in credit unions against impairment arising from financial losses and insolvency by
 - (i) promoting the development and implementation of sound business practices and sound financial policies and procedures by credit unions, and
 - (ii) establishing and implementing loss prevention programs and other controls;
- (c.1) to ensure that credit union by-laws comply with this Act and the Regulations;
- (c.2) to notify the superintendent of the matters prescribed in the Regulations that may impact credit unions, credit union members or the guarantee corporation;
- (d) to act as supervisor of a credit union; and
- (e) to do those other things that may be required or authorized by this Act or the Regulations.

Appendix C – Audited Financial Statements

Financial Statements of

CREDIT UNION DEPOSIT GUARANTEE CORPORATION

Year Ended March 31, 2025

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

CREDIT UNION DEPOSIT GUARANTEE CORPORATION
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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.



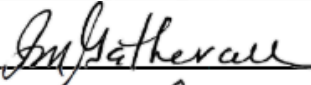
DENISE HANRAHAN, CPA, MBA, ICD.D
Auditor General

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
Assets		
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
	\$ 24,081,743	\$ 21,554,389
Liabilities and Fund Balance		
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
	681,016	579,448
Fund Balance	23,400,727	20,974,941
	\$ 24,081,743	\$ 21,554,389

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
Fees		
Assessments	\$ 2,242,035	\$ 2,121,066
Bonding insurance	389,844	360,617
Interest	1,000,929	868,192
Other	791	9,143
	3,633,599	3,359,018
Expenses		
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
	1,207,813	1,164,044
Net Income	2,425,786	2,194,974
Fund Balance – Beginning of Period	20,974,941	18,779,967
Fund Balance – End of Period	\$ 23,400,727	\$ 20,974,941

See notes to financial statements

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

	2025	2024
Operating Activities		
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
	1,467,575	1,368,042
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
	807,222	941,682
Cash flow from operating activities	2,274,797	2,309,724
Investing Activities		
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	1,736,579	(3,741,020)
Financing Activities		
Lease liability – right to use	46,114	(186)
Cash flow from (used in) financing activities	46,114	(186)
Increase (decrease) in Cash	4,057,490	(1,431,482)
Cash - beginning of period	1,049,409	2,480,891
Cash – end of period	\$ 5,106,899	\$ 1,049,409

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.

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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.

<u>Financial Instrument</u>	<u>Classification</u>
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

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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.

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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

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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.

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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.

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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

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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

	2025	2024
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	5,300,000	
BMO term deposit, 3.55% maturing November 28, 2025	7,200,000	
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	3,550,000	
Scotiabank High Interest Savings Account, variable	2,025,620	
Newfoundland and Labrador Credit Union share	100	100
Concentra share	-	10
Total	\$ 18,075,720	\$ 19,900,110

5. Property, Plant and Equipment

	2025			
Property, plant and equipment	Computers	Signage	Furniture and Fixtures	Total
	\$	\$	\$	\$
Cost				
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
Accumulated Amortization				
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
Net book value	6,530	90	1,862	8,482

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

5. Property, Plant and Equipment (continued)

	2024			
Property, plant and equipment	Computers	Signage	Furniture and Fixtures	Total
	\$	\$	\$	\$
Cost				
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
Accumulated Amortization				
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
Net book value	6,632	112	2,489	9,233

6. Right To Use Asset

	2025	2024
	\$	\$
Cost		
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
Accumulated Amortization		
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
Net Book Value	74,442	28,598

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.

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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
	\$	8,436,723	

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).