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**MUNICIPAL RETIREES ORGANIZATION  
ONTARIO**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Municipal Retirees Organization Ontario  
TORONTO  
Ontario

### *Opinion*

We have audited the accompanying financial statements of Municipal Retirees Organization Ontario which comprise the statement of financial position as at December 31, 2024 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at December 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

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

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 entity'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



NORTON McMULLEN LLP

Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada

May 9, 2025

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# MUNICIPAL RETIREES ORGANIZATION ONTARIO

## STATEMENT OF FINANCIAL POSITION

| As at December 31,                 | 2024                       | 2023                       |
|------------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                      |                            |                            |
| <b>Current</b>                     |                            |                            |
| Cash and cash equivalents (Note 2) | \$ 249,009                 | \$ 176,347                 |
| Investments - current (Note 3)     | 3,217,575                  | 3,450,025                  |
| Accounts receivable                | 62,879                     | 67,139                     |
| Prepaid expenses                   | 52,582                     | 12,791                     |
|                                    | <u>\$ 3,582,045</u>        | <u>\$ 3,706,302</u>        |
| <b>Investments (Note 3)</b>        | <u>1,894,858</u>           | <u>1,812,369</u>           |
|                                    | <u><b>\$ 5,476,903</b></u> | <u><b>\$ 5,518,671</b></u> |

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## LIABILITIES

|  |                   |                   |
|--|-------------------|-------------------|
| <b>Current</b>                           |                   |                   |
| Accounts payable and accrued liabilities | \$ 128,359        | \$ 107,175        |
| Government remittances payable           | -                 | 19,780            |
|  | <u>\$ 128,359</u> | <u>\$ 126,955</u> |

## NET ASSETS

|                         |                            |                            |
|-------------------------|----------------------------|----------------------------|
| Unrestricted net assets | <u>5,348,544</u>           | <u>5,391,716</u>           |
|                         | <u><b>\$ 5,476,903</b></u> | <u><b>\$ 5,518,671</b></u> |

## Commitments (Note 8)

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Approved by the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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## MUNICIPAL RETIREES ORGANIZATION ONTARIO

### STATEMENT OF CHANGES IN NET ASSETS

| For the year ended December 31,      | 2024                       | 2023                       |
|--------------------------------------|----------------------------|----------------------------|
| <b>BALANCE - Beginning</b>           | \$ 5,391,716               | \$ 5,546,611               |
| Deficiency of revenues over expenses | <u>(43,172)</u>            | <u>(154,895)</u>           |
| <b>BALANCE - Ending</b>              | <u><b>\$ 5,348,544</b></u> | <u><b>\$ 5,391,716</b></u> |

See accompanying notes

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# MUNICIPAL RETIREES ORGANIZATION ONTARIO

## STATEMENT OF OPERATIONS

| For the year ended December 31,             | 2024                      | 2023                       |
|---|---------------------------|----------------------------|
| <b>REVENUES</b>                             |                           |                            |
| Insurance rebates                           | \$ 1,216,296              | \$ 1,208,812               |
| Interest and other investment income        | 179,561                   | 146,189                    |
| Unrealized gain on investments              | 157,467                   | 97,681                     |
| Membership dues                             | 49,125                    | 44,475                     |
| Other (Note 7)                              | 81,513                    | 58,204                     |
| Gain on foreign exchange                    | 35,116                    | 1,068                      |
| Loss on disposition of investments          | (9,087)                   | (7,175)                    |
|   | <u>\$ 1,709,991</u>       | <u>\$ 1,549,254</u>        |
| <b>EXPENSES</b>                             |                           |                            |
| Contract labour                             | \$ 320,384                | \$ 301,437                 |
| Board (Note 5)                              | 303,564                   | 325,363                    |
| Meetings                                    | 247,455                   | 214,948                    |
| Advertising and promotion                   | 195,638                   | 150,118                    |
| Newsletter                                  | 191,173                   | 201,968                    |
| Scholarships                                | 122,000                   | 137,000                    |
| Consulting fees                             | 96,959                    | 88,423                     |
| Presentation and demonstrations             | 65,701                    | 54,258                     |
| Professional fees                           | 62,432                    | 63,901                     |
| Telephone                                   | 57,917                    | 54,953                     |
| Insurance and dues                          | 30,458                    | 24,423                     |
| Office                                      | 25,305                    | 47,232                     |
| Investment management fees                  | 20,081                    | 14,388                     |
| Rent  | 10,428                    | 9,897                      |
| Bank charges                                | 3,668                     | 3,630                      |
| Canada pension                              | -                         | 12,210                     |
|   | <u>\$ 1,753,163</u>       | <u>\$ 1,704,149</u>        |
| <b>DEFICIENCY OF REVENUES OVER EXPENSES</b> | <u><u>\$ (43,172)</u></u> | <u><u>\$ (154,895)</u></u> |

See accompanying notes

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# MUNICIPAL RETIREES ORGANIZATION ONTARIO

## STATEMENT OF CASH FLOWS

For the year ended December 31,

2024

2023

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### CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):

#### OPERATING ACTIVITIES

|  |                     |                     |
|--|---------------------|---------------------|
| Deficiency of revenues over expenses             | \$ (43,172)         | \$ (154,895)        |
| Items not affecting cash and cash equivalents:   |                     |                     |
| Unrealized gain on investments                   | (157,467)           | (97,681)            |
| Loss on disposition of investments               | 9,087               | 7,175               |
|  | <u>\$ (191,552)</u> | <u>\$ (245,401)</u> |
| Net change in non-cash working capital balances: |                     |                     |
| Accounts receivable                              | 4,260               | (18,724)            |
| Prepaid expenses                                 | (39,791)            | 14,772              |
| Accounts payable and accrued liabilities         | 21,184              | 27,015              |
| Government remittances payable                   | (19,780)            | 4,828               |
|  | <u>\$ (225,679)</u> | <u>\$ (217,510)</u> |

#### INVESTING ACTIVITIES

|  |                   |                   |
|--|-------------------|-------------------|
| Proceeds from disposition of investments | \$ 4,952,633      | \$ 2,978,160      |
| Purchase of investments                  | (4,654,292)       | (2,744,715)       |
|  | <u>\$ 298,341</u> | <u>\$ 233,445</u> |

#### INCREASE IN CASH AND CASH EQUIVALENTS

|           |           |
|-----------|-----------|
| \$ 72,662 | \$ 15,935 |
|-----------|-----------|

#### CASH AND CASH EQUIVALENTS - Beginning

|                |                |
|----------------|----------------|
| <u>176,347</u> | <u>160,412</u> |
|----------------|----------------|

#### CASH AND CASH EQUIVALENTS - Ending

|                   |                   |
|-------------------|-------------------|
| <u>\$ 249,009</u> | <u>\$ 176,347</u> |
|-------------------|-------------------|

See accompanying notes

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# MUNICIPAL RETIREES ORGANIZATION ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### NATURE OF OPERATIONS

The Municipal Retirees Organization Ontario (the "Organization") is a not-for-profit organization incorporated under the Corporations Act of the Province of Ontario on April 26, 1977 without share capital. The Ontario Not-for-Profit Corporations Act (ONCA) was proclaimed on October 19, 2021 and the Organization was required to be fully compliant not later than October 19, 2024. On December 5, 2023, the Board of Directors approved By-law No. 7 to reflect the new requirement. By-law No. 7 has been confirmed at a meeting of members. The Organization's purpose is to make representation to the Ontario Municipal Employees Retirement System (OMERS), Sponsors Corporation (SC) Board, the OMERS Administration Corporation (AC) Board, and to governments to further the interests and advance the rights of retirees. The Organization also offers, on a direct basis, extended health and other benefits and services to member retirees. The Organization is not taxable under paragraph 149(1)(l) of the Income Tax Act.

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### a) Revenue Recognition

Membership dues and other revenues are recognized as revenue when received. Insurance rebates and share of insurance profit are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest is accrued on a daily basis.

#### b) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful life. Capital assets on hand at the year-end are considered to have been fully amortized.

#### c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from the estimates used.

#### d) Foreign Currency Translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the year-end exchange rate, while non-monetary assets are translated at the rate of exchange prevailing at the date of the transaction. Revenues and expenses are translated at the average rates of exchange during the year.



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# MUNICIPAL RETIREES ORGANIZATION ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES - Continued

#### e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in the bank and investment accounts.

#### f) Financial Instruments

##### Initial Measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Organization in the transaction.

##### Subsequent Measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in marketable securities which are measured at fair value. Changes in fair value are recognized in the deficiency of revenues over expenses.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, fixed income investments and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Other than investments in marketable securities, the Organization has no financial costs measured at fair value and has not elected to carry any financial asset or liability at fair value.

##### Impairment

Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in the excess of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

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# MUNICIPAL RETIREES ORGANIZATION ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

|                                    | 2024              | 2023              |
|------------------------------------|-------------------|-------------------|
| TD Canada Trust - Mississauga      | \$ 191,961        | \$ 137,237        |
| TD Canada Trust - Investor Account | 21,566            | 21,002            |
| RBC Dominion Securities - Cash     | <u>35,482</u>     | <u>18,108</u>     |
|                                    | <u>\$ 249,009</u> | <u>\$ 176,347</u> |

### 3. INVESTMENTS

Investments consist of amounts invested in fixed income guaranteed investment certificates and an investment savings account, which are measured at amortized cost, and marketable securities, which are measured at fair value. Investments consist of the following:

|   | 2024                |                     | 2023                |
|---|---------------------|---------------------|---------------------|
|   | Cost                | Market Value        | Market Value        |
| RBC Dominion Securities - GIC's                 | \$ 2,970,831        | \$ 3,033,214        | \$ 3,823,974        |
| RBC Dominion Securities - Investment savings    | 210,962             | 210,962             | 499,300             |
| RBC Dominion Securities - Marketable securities | <u>1,672,410</u>    | <u>1,868,257</u>    | <u>939,120</u>      |
|   | <u>\$ 4,854,203</u> | <u>\$ 5,112,433</u> | <u>\$ 5,262,394</u> |
| Less: Current portion                           |                     | <u>3,217,575</u>    | <u>3,450,025</u>    |
|   |                     | <u>\$ 1,894,858</u> | <u>\$ 1,812,369</u> |

The GIC's have varying maturity dates, but none exceeding 3 years. Interest rates are between 1.05% and 5.65% (2023 - 1.05% and 5.65%).

### 4. ECONOMIC DEPENDENCE

The Organization has an economic dependence on insurance administration expense reimbursements received from Victor Canada. However, sufficient funds have been retained to allow for at least four years of insurance administration expense reimbursements, based on current expenditures.

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# MUNICIPAL RETIREES ORGANIZATION ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 5. RELATED PARTY BALANCES AND TRANSACTIONS

The following related parties have engaged in transactions with the Organization:

|                 |   |
|-----------------|---|
| Carol Conrad    | Member of the Board of Directors                    |
| Gerry Davis     | Treasurer and Member of the Board of Directors      |
| Cindy Snider    | Vice President and Member of the Board of Directors |
| Jackie Forsey   | Secretary and Member of the Board of Directors      |
| William Harford | Past President and Member of the Board of Directors |
| Lori Kivi       | Member of the Board of Directors                    |
| Ken Lewis       | Member of the Board of Directors                    |
| Lucie Lombardo  | Member of the Board of Directors                    |
| Gerry Pedwell   | Member of the Board of Directors                    |
| Dave Posliff    | Member of the Board of Directors                    |
| Tracey Powell   | Member of the Board of Directors                    |
| Keith Robicheau | President and Member of the Board of Directors      |

The Organization made payments for board-related services rendered to the following:

|                  | 2024              | 2023              |
|------------------|-------------------|-------------------|
| Cindy Snider     | \$ 24,048         | \$ 27,189         |
| Keith Robicheau  | 20,708            | 23,850            |
| Jackie Forsey    | 18,704            | 18,762            |
| Tracey Powell    | 18,370            | -                 |
| Lucie Lombardo   | 16,700            | 8,109             |
| Dave Posliff     | 13,861            | 15,264            |
| William Harford  | 13,360            | 15,741            |
| Carol Conrad     | 11,690            | 3,339             |
| Gerry Pedwell    | 11,189            | 12,402            |
| Ken Lewis        | 10,020            | -                 |
| Gerry Davis      | 8,350             | 10,653            |
| Lori Kivi        | 6,179             | -                 |
| Maureen Lachance | -                 | 15,582            |
| Bill Latham      | -                 | 14,469            |
| Bruce Peacock    | -                 | 5,724             |
| Max Sutton       | -                 | 20,829            |
| Giulio Di Bacco  | -                 | 7,473             |
|                  | <u>\$ 173,179</u> | <u>\$ 199,386</u> |

These transactions were carried out in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration agreed upon by the related parties.

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# MUNICIPAL RETIREES ORGANIZATION ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 6. FINANCIAL INSTRUMENTS

#### Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a summary of the Organization's exposure to and concentrations of risk at December 31, 2024:

##### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable. There are no concentrations of credit risk as at December 31, 2024 and there has been no change in the assessment of credit risk from the prior year.

##### b) Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly with respect to its accounts payable and accrued liabilities. The Organization manages this risk by managing its working capital, and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

##### c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and price risk. The Organization is exposed to market risk as follows:

##### i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 2% (2023 - 1%) of the Organization's investment income is in US dollars. Consequently, some assets are exposed to foreign exchange fluctuations. As at December 31, 2024, cash and cash equivalents \$12,753 (2023 - \$8,838) are denominated in US dollars and have been converted into equivalent Canadian dollars at the exchange rate in effect at the year end. Foreign exchange gains and losses are included in deficiency of revenues over expenses and total \$35,116 for 2024 (2023 - \$1,068). The exposure to this risk changes as the transaction amounts change and as the exchange rate fluctuates. The average exchange rate for 2024 was 1.3698 (2023 - 1.3497).

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# MUNICIPAL RETIREES ORGANIZATION ONTARIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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### 6. FINANCIAL INSTRUMENTS - Continued

#### c) Market Risk - Continued

##### ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As described in Note 3, the Organization is exposed to fluctuations in interest rates on its fixed income investments. The Organization does not currently hold any financial instruments to mitigate this risk. The exposure to this risk fluctuates as the investments and related interest rates change from year to year.

##### iii) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to price risk through its investments in marketable securities, being common shares. The exposure to this risk fluctuates as the Organization's investments change from year to year.

### 7. OTHER REVENUES

Other revenues consist of the following:

|                                | 2024             | 2023             |
|--------------------------------|------------------|------------------|
| Hearing Life                   | \$ 26,953        | \$ 32,122        |
| Spec Savers                    | 20,000           | -                |
| Red Wireless                   | 20,000           | -                |
| Postage - net of rebates       | 8,430            | 8,770            |
| Insurance admin fee - Mitchell | 6,130            | 17,312           |
|                                | <u>\$ 81,513</u> | <u>\$ 58,204</u> |

### 8. COMMITMENTS

The Organization's lease agreement for its premises expires May 31, 2025. Future minimum annual rental payments until the lease expires are as follows:

|      |                 |
|------|-----------------|
| 2025 | <u>\$ 3,895</u> |
|------|-----------------|