



REPORT FROM THE BOARD CHAIR, PRESIDENT, AND CEO

AN ENHANCED COMMITMENT TO MEMBER AND COMMUNITY WELLNESS

Your Credit Union begins 2023 with a new three-year strategic plan that was developed by our board* that focuses on the two pillars of our mission: financial wellness and community support. We have continued to grow our capabilities to improve our members' financial wellness. We now have a robust team of certified advisors who can help members with financial planning and investing at every level. And, while we have continued our support of community wellness through a variety of programs, the new strategic plan identifies food and housing insecurity as two crucial issues that we will be trying to address in the coming years. Our home markets of Ottawa and Cornwall have different needs in relation to these issues, but both cities are seeing an increasing number of citizens who need support with food, housing, or both.



FINANCIAL WELLNESS FOR EVERY MEMBER

Financial wellness is essential for overall well-being, and it is something everyone needs regardless of their financial situation. Financial wellness is a holistic approach to financial management that considers an individual's entire situation. From financial needs to personal aspirations, our Financial Wellness Advisors can help our members develop a plan to address both. Our focus for 2023 will be on motivating more members to take advantage of the free consultation and advice available from our advisors. In what may well be another challenging year economically, we want our members to know that we are here to meet their needs, not to profit from them.

FOOD AND SHELTER IN OUR COMMUNITIES

Your Credit Union has long supported foodbanks in Ottawa and Cornwall by collecting food, making donations, and volunteering time. We will be looking for ways to augment this support through partnerships with organizations that are focused on addressing food insecurity in both communities. Similarly, we will be looking to partner with organizations that focus on the issue of housing insecurity. We have worked with the United Way on a program of micro-loans to help people secure shelter and we have been the financial institution of co-operative housing developments for many years, but we are investigating other ways to help people who are struggling with housing insecurity.



Co-operatively yours,

Kelly Storie
Board Chair

Joel Lalonde
President & CEO

* The YCU 2022 Board is comprised of 1 woman and 7 men for a total of 8 total directors.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors fulfills the responsibilities set out in the Credit Unions and Caisses Populaires Act (Ontario) (the Act) and conducts its affairs in accordance with the requirements of the Act and its accompanying regulations. The Audit Committee also fulfills certain other governance duties related to finance and risk management as prescribed by Board policy.

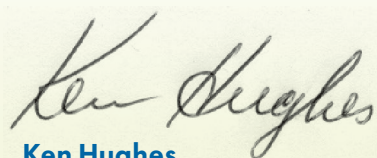
The Audit Committee, composed of four members of the Board of Directors, held six meetings during the fiscal year ended September 30, 2022. The Committee meets at least quarterly and arranges its agenda so that, the following duties are performed annually, and appropriate action taken as a result thereof:

- Serving as the principal communication link between the external auditors and the Board of Directors and, in particular, reviewing the terms of engagement and scope of the audit, and reviewing the Credit Union's annual financial statements prior to Board approval for issuance to the members.
- Obtaining reasonable understanding of the significant elements of internal controls that are important to safeguarding the assets of the Credit Union, ensuring the accuracy of financial reports, and ensuring compliance with policies and procedures.
- Serving as the Board's liaison with the internal auditor and reviewing the internal audit mandate, work plan, and reports.
- Reviewing the policies, procedures, and controls that relate to legislative compliance, with a particular focus on the requirements for liquidity, capital adequacy, and interest rate risk management.

Based on its findings, the Audit Committee issues reports and makes recommendations to the Board of Directors or senior management, as appropriate, with respect to the matters outlined above, and follows up to ensure that the recommendations are considered and implemented. During the year, the Audit Committee received full co-operation and support from management to enable it to complete its annual work plan, play an effective role in improving the quality of financial reporting to the and enhance the overall control structure of **Your Credit Union**.

All significant recommendations made by the Audit Committee have been either implemented or are in the process of being implemented by management. In addition, there are no matters that the Audit Committee believes should be reported to the members, nor are there any further that which are required to be disclosed pursuant to the Act or the regulations thereto. The Audit Committee had the full co-operation of **YCU**'s senior leadership team. We thank them all for their dedication and commitment to ensuring **YCU** adequately monitors and protects the assets of our members. I would also like to take this opportunity to thank all the members of the committee who worked so diligently this past year to achieve so much — together.

On behalf of the Committee,



Ken Hughes
Chair of the Audit Committee

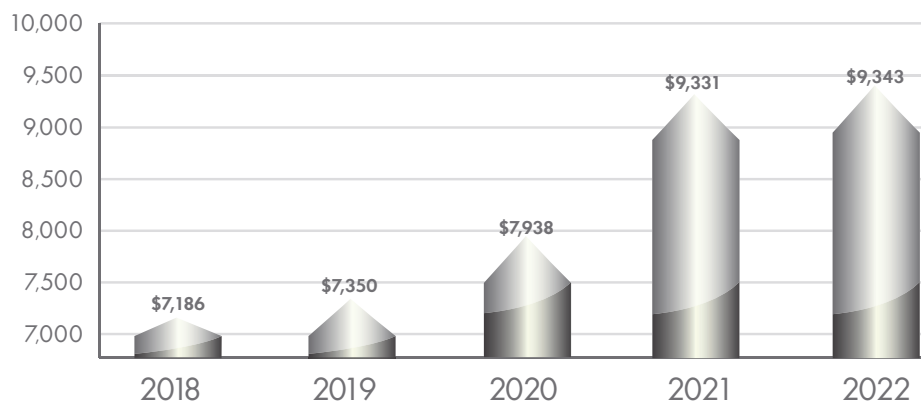
FIVE-YEAR FINANCIAL HISTORY

SEPTEMBER 30 (000s)	2018	2019*	2020	2021	2022
Statements of Comprehensive Income and Changes in Members' Equity					
Interest income	\$10,518	\$11,319	\$11,580	\$11,095	\$11,615
Investment income	322	559	429	431	213
Interest expense	(3,948)	(4,967)	(4,569)	(3,905)	(3,964)
Net interest income	6,892	6,911	7,440	7,621	7,864
Provision for credit losses	(1,212)	(1,114)	(936)	201	(149)
Other operating income	1,506	1,553	1,434	1,509	1,628
	7,186	7,350	7,938	9,331	9,343
Operating expenses	(7,049)	(7,442)	(7,348)	(6,970)	(7,781)
Dividends on investment shares	(14)	(25)	(41)	(42)	(46)
Income before income taxes	123	(117)	549	2,319	1,516
Income taxes	35	64	(34)	(357)	(201)
Comprehensive income	\$158	(53)	515	1,962	1,315
Dividends on investment shares	(371)	(375)	(374)	(387)	(411)
Changes in accounting standards	0	(122*)	0	0	0
Retained earnings, beginning of year	9,283	9,070	8,520	8,661	10,236
Retained earnings, end of year	\$9,070	\$8,520	\$8,661	10,236	11,140
Assets					
Cash and cash equivalents	\$13,472	\$11,472	\$6,401	7,502	8,638
Investments	21,291	21,289	30,074	26,307	21,401
Income taxes receivable	121	127	0	0	0
Loans to members	284,456	286,069	297,560	316,475	336,375
Property and equipment	5,373	4,986	4,931	4,560	4,209
Deferred income tax asset	17	0	140	0	155
Other assets	1,163	1,148	1,100	2,181	2,712
	\$ 325,893	\$325,091	\$340,206	\$357,025	\$373,490
Liabilities and Members' Equity					
Deposits from members	\$288,977	\$290,516	\$298,307	\$314,479	\$323,974
Securitized borrowings	16,243	13,546	19,611	18,317	24,735
Other liabilities	1,006	1,157	1,905	1,736	1,744
Deferred income tax liability	0	14	0	0	0
Membership and investment shares	10,597	11,338	11,722	12,257	11,897
Retained earnings	9,052	8,520	8,661	10,236	11,140
	\$325,893	\$325,091	\$340,206	\$357,025	\$373,490

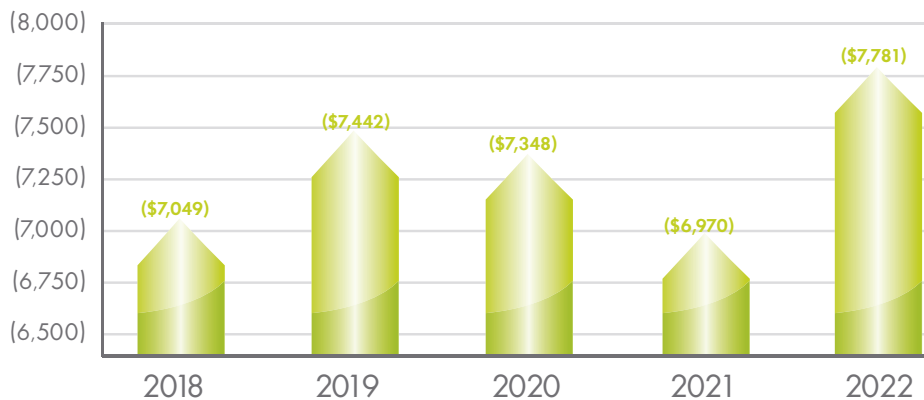
*Introduction of IFRS 9 changed the methodology for the provision of credit losses.

FIVE-YEAR FINANCIAL HISTORY

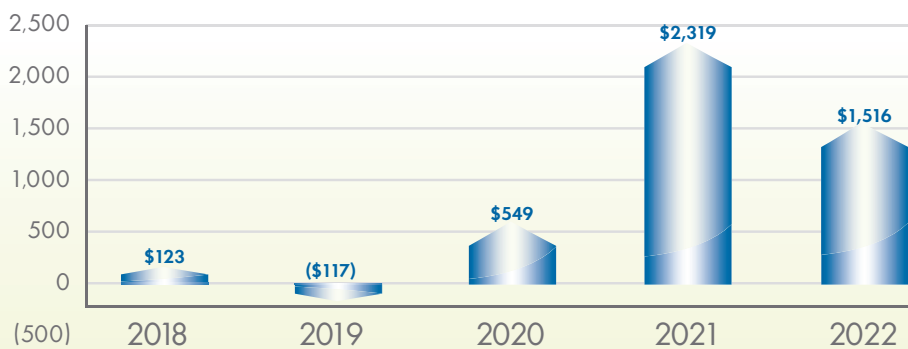
Total Income (000s)



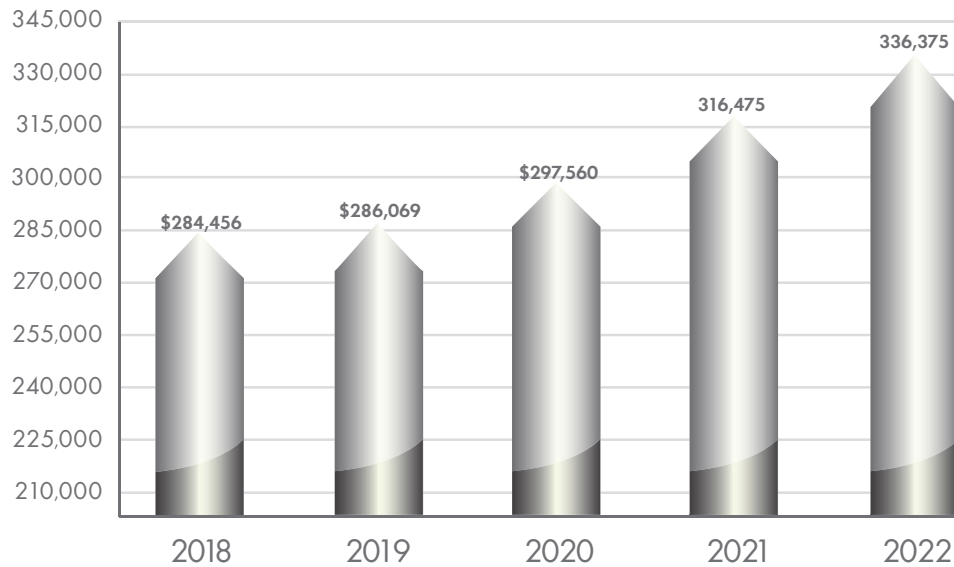
Operating Expenses (000s)



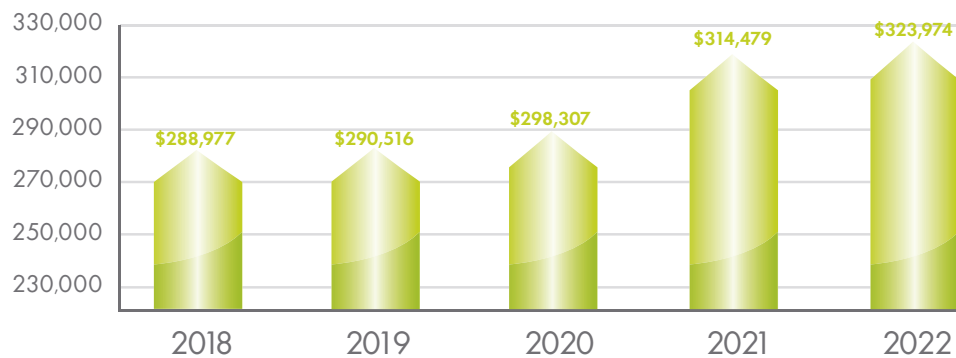
Income Before Income Taxes (000s)



Loans to Members (000s)



Deposits from Members (000s)



Retained Earnings (000s)

