



**YOUR** CREDIT UNION  
CO-OPERATIVE BANKING

**2023 ANNUAL REPORT**

COMMUNITY

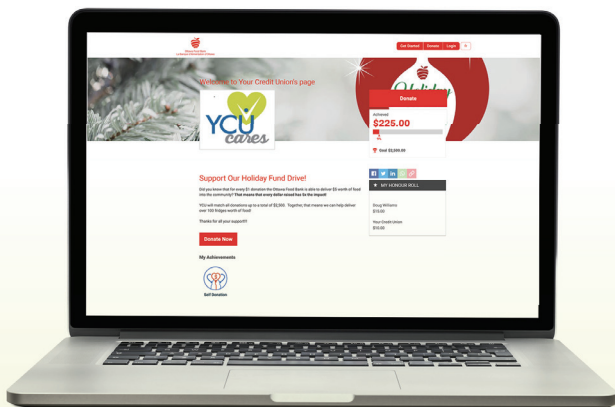


com·mu·nity  
/kə myoo nətē/

*a feeling of fellowship with others, as a result of sharing common attitudes, interests, and goals.*

The membership and staff of **Your Credit Union** are very much a community of like-minded individuals who share a belief in our co-operative principles. Among those principles is **Care for Community**, which states that co-operatives work for the sustainable development of their communities through policies approved by their members. **YCU**'s definition of this principle goes further in that we are committed to improving the quality of life for everyone in our communities, particularly those experiencing food and shelter insecurity. In 2023 the staff and membership of **YCU** continued to demonstrate their commitment to community in a variety of ways.

**YCU** has long been a supporter of the Ottawa Food Bank. The OFB is the driving force behind the effort to eradicate hunger in the Ottawa region. For many, it is still hard to imagine that in a modern city like Ottawa, the very seat of a social democracy, some 40,000 people require food assistance every month. In the past year, the **YCU** community assisted the OFB in several ways.



OTTAWA FOOD BANK CHRISTMAS FUNDRAISER 2022

The OFB conducts a Christmas food drive every year and **YCU** has long been a sponsor. **YCU** raised just over \$6,000 through this initiative. \$3,500 came from member and staff donations, with **YCU** matching \$2,500 of those donations. Our branches also accepted donations of food. **YCU** will be sponsoring the drive again for the 2023 holiday season.



Ottawa Food Bank  
La Banque d'Alimentation d'Ottawa



## COMMUNITY



### FOOD SORTING COMPETITION

The **Food Sort Challenge** is one of the Ottawa Food Bank’s signature events. It is a fast-paced competition where over 50 teams of up to 10 people compete to see who can sort 1,000 pounds of food the fastest! A team from **YCU** once again took part in the competition and raised over \$3,000.

Left to right : Ravon Gabriel, Joel Lalonde (AKA Silver Fox), Christine Vieceli, John Buss, Andrea d’Entremont, Donna Marquardt, and Doug Williams.



### YCU HAS BEAN FARMING

The Ottawa Food Bank grows fresh produce on an 8-acre farm near Stittsville. This farm plays an important role in the OFB’s ability to deliver a high proportion of fresh food to over 100 agency partners. **Adopt a Crop** invites local businesses to get involved with their community harvest. Each Adopt a Crop Ambassador chooses a crop to champion over the course of the growing season. **YCU** fielded Team Green Beans, which devoted over 50 hours of care to the crop while **YCU** donated \$7,500 to the OFB.



There is no doubting the ROI of the Ottawa Food Bank when it comes to alleviating hunger. For every dollar raised the OFB can buy \$5 worth of food. That means that **YCU**’s contribution of \$16,500 in 2023 became \$82,500 in food for people who desperately needed it. We are extremely proud of our members and staff for the commitment of time and funds they have given to this crucial issue and this amazing agency.

## COMMUNITY

### FIGHTING FOOD INSECURITY IN CORNWALL

The **Agapè Centre** is Cornwall's largest food bank and community kitchen, serving over 3,000 people every month. The staff and members in Cornwall provide support to the centre in a variety of ways, including food and fund donations and volunteering their time to work at the centre.

Photo to the right: Jordan Gauthier, Patty Tibben, and Jessica Lupien.



### UNITED WAY OVER THE EDGE

**YCU** Cornwall Sales Manager Kelly MacDonald repels down nine stories to help raise \$60,000 for the United Way, with \$2,000 coming from **YCU**.

### ANGEL TREE

**YCU** has long been a supporter of the **Optimist Club Angel Tree** program, which delivers Christmas gifts to children who might not otherwise receive them. This year a bake sale generated another \$600 for the program.



### LAST RESORT MICRO-LOANS

The United Way's Last Resort Fund offers access to grants for individuals who find themselves in precarious financial situations. The fund was established to offer an alternative to pay-day loans, which create a larger financial crisis for many who use them.

**YCU** partnered with the United Way to offer micro-loans to United Way clients who could afford to service these loans and benefit from rebuilding their credit. While the program is still new, the first two loans issued have both been serviced as agreed. Micro-loans will continue to be offered by **YCU** as a second funding stream for the Last Resort program.



## REPORT FROM THE BOARD CHAIR, PRESIDENT, AND CEO

# Protecting our community in uncertain economic times

### OUR CO-OPERATIVE MODEL AT A TURNING POINT

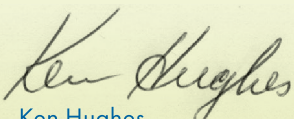
Our financial reports highlight once again a very successful year in 2023. Strong profitability and moderate asset growth are both very good reflections of our governance and management frameworks. Staff once again this year focused on providing members with industry-leading value in all services delivered. As we look to the future, times are changing. The pace of innovation in the industry is providing us with both opportunity and challenge as we look to demonstrate enhanced agility and convenience for our members through payment modernization and digital banking.

Many members are struggling with housing and cost of living concerns. Being able to put food on the table is not a given for thousands of families in both Cornwall and Ottawa. We have, with your support, made significant contributions in both communities regarding food insecurity. As we launch the new First Home Savings Account, our energies must now turn towards access to housing. Financial wellness is more relevant than ever.

As a financial co-operative, **YCU** is committed to protecting and enhancing the financial wellness of our member-owners. Unlike traditional banks, we have no mandate to maximize profit from our members and this allowed us to provide sound advice over the past year as interest rates rose and many of our members had their mortgages come due for renewal. With no ability to predict what would happen to interest rates, **YCU** took the approach of almost exclusively offering fixed-term rates rather than variable to protect our members' financial wellness. Though rates continued to rise, those members are enjoying lower, stable mortgage rates. With a substantial number of member mortgages coming due in 2025/2026, **YCU** is focused on helping members prepare for higher interest rates through several strategies. Because we are not focused on maximizing the bottom line, we have been able to focus on what is best for our member community and that is good for our communities as a whole.

You might be wondering how as a member you can help **YCU** with our community and co-operative ambitions. The simplest way is to help us grow our membership and deposit base. Please share the **YCU** story with friends and family. Invite them to join us so they can benefit from our financial wellness efforts as a member-owner. The second request is to consider **YCU** for all your financial needs. As your trusted financial advisor, we believe there's no better institution to serve ALL your financial needs, and we have the resources, expertise, and products to do so. Most importantly, we exist to meet the needs of our member-owners, not to profit from them.

Co-operatively yours,



Ken Hughes  
Board Chair



Joel Lalonde  
President & CEO

## BOARD OF DIRECTORS



**KEN HUGHES – Chair**

Ken is the former Auditor General at the City of Ottawa. He has been engaged in the fields of audit, fraud investigation, property taxation, and financial management and he has taught in the areas of audit, internal control, and finance in private industry and governments. He has served on boards and committees in the for-profit and not-for-profit sectors for financial, health, and information technology firms and industry associations. Ken is a Chartered Professional Accountant (CPA, CMA) and Certified Fraud Examiner (retired CFE) and holds MBA and an ICD.D.



**JOHN LISTER – Director**

John is a retired IT executive from a global engineering firm, where he spent close to 30 years. John assumed the Senior IT lead role, servicing over 34 offices across the province. He has volunteered for several charitable organizations over the years, developing and maintaining websites for a few.



**BRIAN KEEN – Director**

Brian has been a member of the Credit Union since 2007. His association with credit unions began much earlier, in 1981, as the engagement audit partner of a number of credit unions in Cornwall. Brian has seen the benefits of membership personally and with numerous businesses and individuals that he has had the opportunity to refer to the credit union.

Brian is past chair and treasurer of Laurencrest Youth Services Inc. and is past treasurer and charter member of the Sunrise Rotary Club of Cornwall. Brian has assisted smaller charities, specifically those with minimum funding, with financial planning, accounting assistance and government compliance.



## BOARD OF DIRECTORS



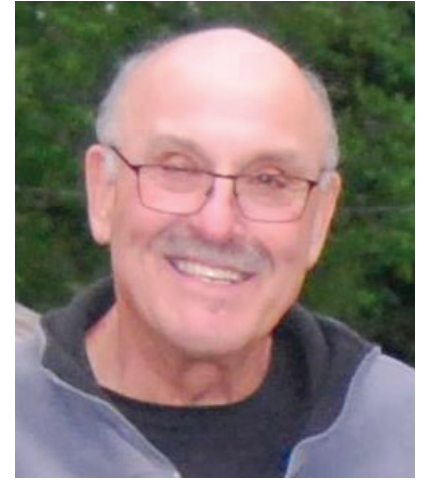
**MICHAEL NAUTH – Director**

Michael is a carpenter and teacher, having been a professor at Algonquin College for the past 30 years. He holds a BSc in Mathematics from Carleton and an MEd in Administration and Policy from St. Francis Xavier University. He has volunteered as a crew leader for Habitat for Humanity in Ottawa and abroad. He has also taught carpentry to the First Nations bands in Maniwaki, Rapid Lake, and Mistassini.



**GREG WALKER – Director**

Greg is a results-driven CEO with two decades of expertise in association management, operations, project management, strategic and operational planning, sales and business development, financial services, staff management, relationship building, process improvement, and change management. He is currently the CEO of a not-for-profit membership-based association specializing in education and technology. He holds MSc, BSc, and BA degrees and a Certified Association Executive (CAE) professional designation.



**TERRY OTTO – Director**

Terry brings to the Board a broad background and experience in the co-op sector, having been involved in it since 1974 in various capacities. He has also served on different boards and committees for Ottawa, South Nation Conservation Authority, and the provincial and federal governments.

## BOARD OF DIRECTORS



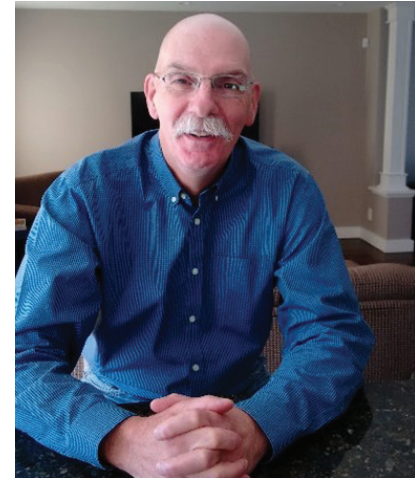
**RUSSELL ABRAHAM – Director**

Russell is the Business Services Manager at the Cornwall Public Library, where he is responsible for human resources, leadership and culture, scheduling, payroll, finances, project management, and facilities. He is currently completing his MBA majoring in Innovative Leadership. Russell also volunteers with the United Way Centraide of SD&G, at his parish, at his children’s school, and through the work that Cornwall Public Library does to provide safe, inclusive spaces and resources to everyone.



**CHRIS COBB – Director**

Chris is a multi-award-winning Canadian journalist, author, and communications specialist. He has served as a national election observer in Kenya, Uganda, and The Gambia and has travelled extensively throughout Africa and Asia on numerous journalistic and communications-related assignments. Chris has worked for the Canada Revenue Agency (CRA), Department of Finance, Department of National Defence Ombudsman, Public Services and Procurement Canada, and Employment and Social Development, among others. Chris has been a Credit Union member for 30 years.



**RICK DEBENETTI – Director**

Rick’s professional experience includes 30 years working in the federal government primarily in the real property field. He was the Director General–Operations with Public Works and Government Services Canada (now Public Services and Procurement Canada) responsible for real property operations in the National Capital Region. Since leaving the federal government in 2008, Rick has been self-employed as the owner of North Star Property Services, providing consulting and contracting services.



## BOARD GENDER DIVERSITY REPORT

### PLANS FOR BOARD DIVERSITY

The size and composition of the Board are reviewed from time to time by the Nominating Committee. The Committee seeks to ensure that the size of the Board is conducive to effective discussion and decision-making. To ensure that **YCU** continues to be able to meet the challenges and demands of the communities in which it operates, the Board is focused on enhancing the diversity of skills, expertise, and perspectives on the Board in a structured way by proactively mapping out **YCU**'s Board composition needs over the short and medium term. Any potential conflicts of interest are taken into consideration.

### COMMITMENT TO BOARD DIVERSITY

**YCU** is committed to building a diverse, inclusive, and collaborative culture. **YCU** recognizes and embraces the benefits of diversity on the Board and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

The Board's commitment to diversity provides that, in reviewing Board composition and succession planning, the Nominating Committee will consider the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity, and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence, and knowledge that the Board as a whole requires to be effective. Diversity is a key criterion in the instructions for director recruitment.

The **YCU** Board is committed to achieving 30% women on the Board by 2030.

### ACTIONABLE PLANS TO ACHIEVE DIVERSITY

The Board is of the view that gender is an important aspect of diversity and will strive to ensure that (a) any brief for director

recruitment will include a requirement to present female candidates, (b) female candidates are included for consideration by the Nominating Committee whenever it seeks to identify a new Director for appointment to the Board, and (c) there is significant and appropriate female representation on the Board, recognizing that the skills and experience needed by the Board will change over time.

### DIVERSITY MIX OF DIRECTORS

The **YCU** 2023 Board is composed of nine men for a total of nine directors.

### BOARD MEMBER SELECTION PROCESS

The Nominating Committee establishes and reviews the profile required of Board members and makes recommendations to the Board on the appointment, nomination, and retirement of Directors.

When an existing Director chooses to retire or is required to retire from office by rotation, or the need for a new Director arises, the Nominating Committee reviews the range of expertise, skills, and attributes of the Board and the composition of the Board. The Committee then identifies **YCU**'s needs and prepares a shortlist of candidates with the appropriate profile for nomination.

When deciding on the appointment of new Directors to the Board, the Nominating Committee and the Board consider a variety of factors, including the core competencies, skills, and experience that are required on the Board and Board Committees; diversity; independence; conflicts of interest; and time commitments.

## 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 five members of the Board of Directors, held six meetings during the fiscal year ended September 30, 2023. The Committee meets at least quarterly and arranges its agenda so that, on an annual basis, the following duties are performed, 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 plans, 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 members, and enhancing the overall control structure of YCU.

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 matters that 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,



Brian Keen  
Chair of the Audit Committee

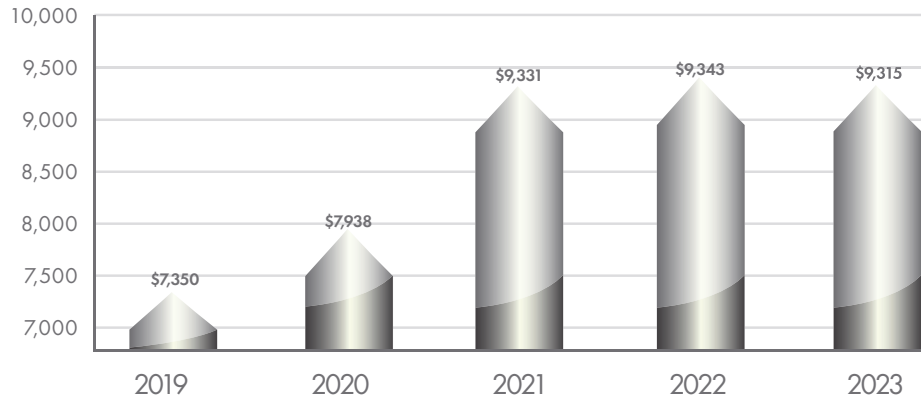
## FIVE-YEAR FINANCIAL HISTORY

SEPTEMBER 30 (000s)	2019	2020	2021	2022	2023
<b>Statements of Comprehensive Income and Changes in Members' Equity</b>					
Interest income	\$11,319	\$11,580	\$11,095	\$11,615	\$14,129
Investment income	559	429	431	213	964
Interest expense	(4,967)	(4,569)	(3,905)	(3,964)	(7,422)
Net interest income	6,911	7,440	7,621	7,864	7,671
Provision for credit losses	(1,114)	(936)	201	(149)	184
Other operating income	1,553	1,434	1,509	1,628	1,460
	7,350	7,938	9,331	9,343	9,315
Operating expenses	(7,442)	(7,348)	(6,970)	(7,781)	(7,795)
Dividends on investment shares	(25)	(41)	(42)	(46)	(51)
Income before income taxes	(117)	549	2,319	1,516	1,469
Income taxes	64	(34)	(357)	(201)	(188)
Comprehensive income	(53)	515	1,962	1,315	1,281
Dividends on investment shares	(375)	(374)	(387)	(411)	(459)
Changes in accounting standards	(122)	0	0	0	0
Retained earnings, beginning of year	9,070	8,520	8,661	10,236	11,140
Retained earnings, end of year	\$8,520	\$8,661	10,236	11,140	11,962
<b>Assets</b>					
Cash and cash equivalents	\$11,472	\$6,401	7,502	8,638	16,570
Investments	21,289	30,074	26,307	21,401	16,640
Income taxes receivable	127	0	0	0	220
Loans to members	286,069	297,560	316,475	336,375	344,802
Property and equipment	4,986	4,931	4,560	4,209	3,957
Deferred income tax asset	0	140	0	155	103
Other assets	1,148	1,100	2,181	2,712	2,730
	\$325,091	\$340,206	\$357,025	\$373,490	\$385,022
<b>Liabilities and Members' Equity</b>					
Deposits from members	\$290,516	\$298,307	\$314,479	\$323,974	\$328,943
Securitized borrowings	13,546	19,611	18,317	24,735	31,588
Other liabilities	1,157	1,905	1,736	1,744	1,432
Membership and investment shares	11,338	11,722	12,257	11,897	11,097
Retained earnings	8,520	8,661	10,236	11,140	11,962
	\$325,091	\$340,206	\$357,025	\$373,490	\$385,022

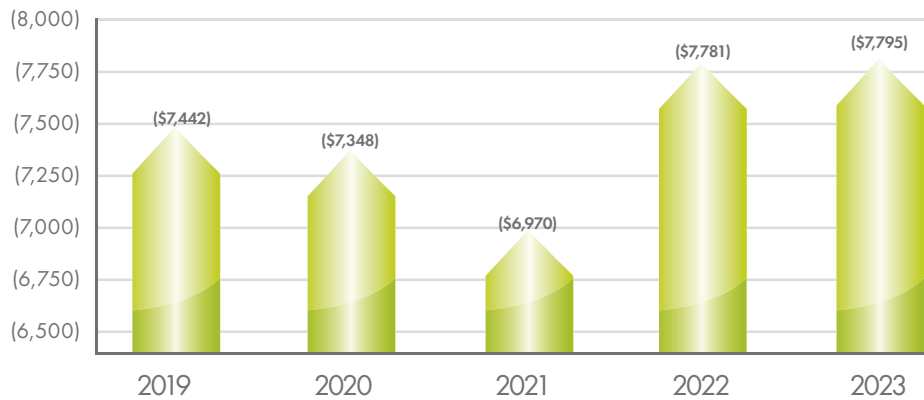


# FIVE-YEAR FINANCIAL HISTORY

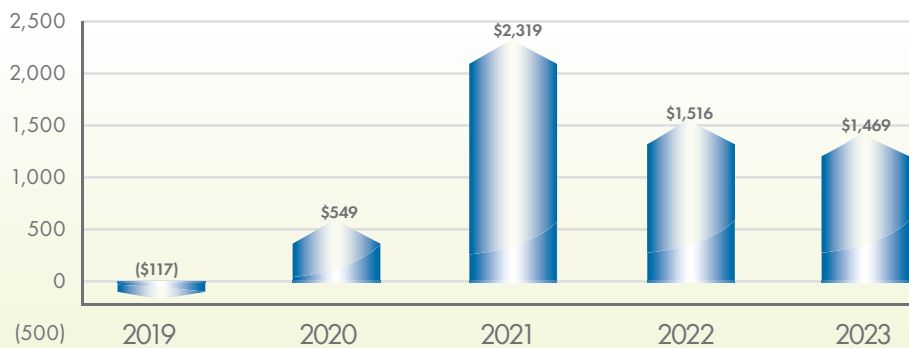
**Total Income (000s)**



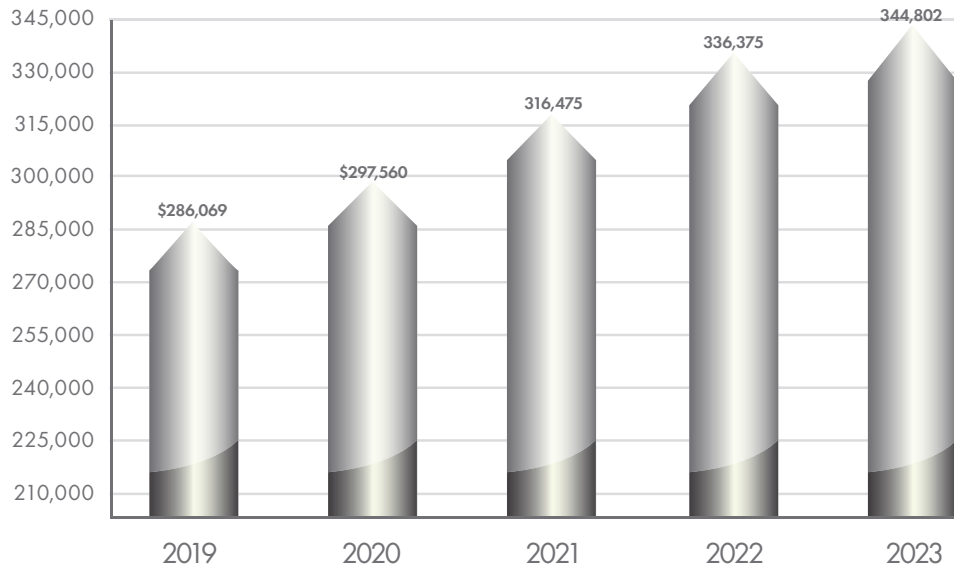
**Operating Expenses (000s)**



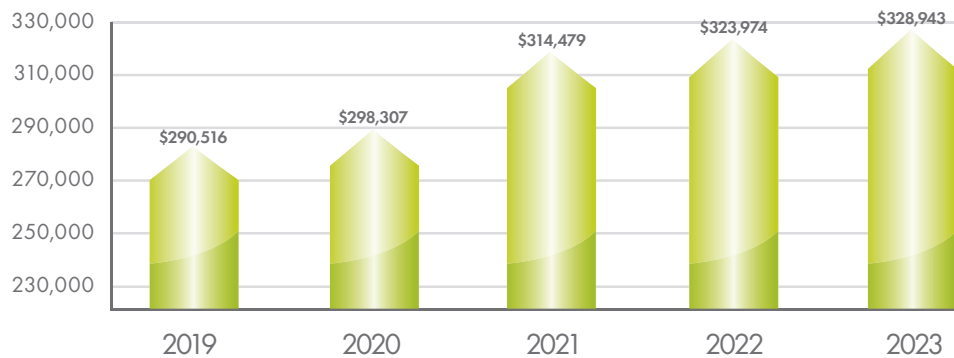
**Income Before Income Taxes (000s)**



### Loans to Members (000s)



### Deposits from Members (000s)



### Retained Earnings (000s)

