



YOUR CREDIT
UNION

20
24

ANNUAL
REPORT

LAND ACKNOWLEDGMENT STATEMENT

Your Credit Union acknowledges that our operations and activities take place on the traditional, unceded, and unsundered territory of the Algonquin Anishinaabe Nation and the Mohawk Nation and the Haudenosaunee Confederacy. We recognize the enduring presence, contributions, and stewardship of all First Nations, Inuit, and Métis peoples across this land. As a business rooted in Ottawa and Cornwall, Ontario, we are committed to learning from, respecting, and supporting Indigenous communities while fostering a culture of inclusion and reconciliation. We express our gratitude to the Algonquin Anishinaabe people, Mohawk Nation and the Haudenosaunee Confederacy for sharing this land with us and honor the rich history, culture, and contributions they continue to bring to this region. In this spirit, we strive to deepen our understanding of Indigenous perspectives and remain dedicated to building respectful relationships with Indigenous communities.

- **Mission Statement:** To improve the financial well-being of our members and the communities we serve.
- **Vision Statement:** Your Credit Union will be the preferred lifelong financial partner of our member-owners.



YCU Cares is the banner under which **Your Credit Union** engages in initiatives designed to **IMPROVE THE QUALITY OF LIFE** for the communities we serve.



FOSTERING FINANCIAL WELLNESS AND COMMUNITY SUPPORT AMIDST CHANGE

As we reflect on 2024, **Your Credit Union (YCU)** has continued to build on its commitment to financial wellness and community well-being. This year has shown that our focus on serving our member-owners, not profiting from them, is essential in these uncertain times.

FINANCIAL WELLNESS: A HOLISTIC APPROACH TO MEMBER WELL-BEING

At **YCU**, financial wellness is central to our mission. It's not simply about net worth; it's about understanding your relationship with money and how it impacts various aspects of life—from planning for your children's education to buying a home and saving for future goals. Similar to a visit to a doctor for a check-up, your financial wellness journey starts with a conversation with one of our Financial Wellness Advisors. These professionals are dedicated to creating tailored strategies that prioritize your financial well-being without any obligation, cost, or commission-based sales. We aim to be a supportive partner on your financial wellness journey, helping you make informed decisions for both your immediate needs and long-term goals.

STRENGTHENING COMMUNITY CONNECTIONS THROUGH CO-OPERATIVE VALUES

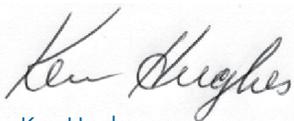
Aligned with the co-operative principle of Concern for Community, **YCU** remains steadfast in supporting initiatives that foster social, economic, and environmental well-being in Ottawa and Cornwall. Our unwavering commitment to sustainable development is evident through our community investments over the past year. Through member-supported policies, we've contributed to projects that address food insecurity, housing challenges, and community wellness. These efforts not only enhance the lives of our neighbors but strengthen the fabric of our co-operative community as a whole.

LOOKING FORWARD WITH A FOCUS ON GROWTH AND STABILITY

As we plan for the future, our goal remains to support members through financial uncertainty with thoughtful, strategic approaches to financial management. We're also focused on growing our membership and deposit base, reinforcing the co-operative difference that defines **YCU**. Inviting others to join us as member-owners strengthens our collective impact, empowering more people to experience financial wellness with a trusted institution.

Thank you for your continued trust in **YCU**. Together, we look forward to another year of meaningful impact, fostering financial well-being, and strengthening our community.

Co-operatively yours,



Ken Hughes
Board Chair



Joel Lalonde
President & CEO





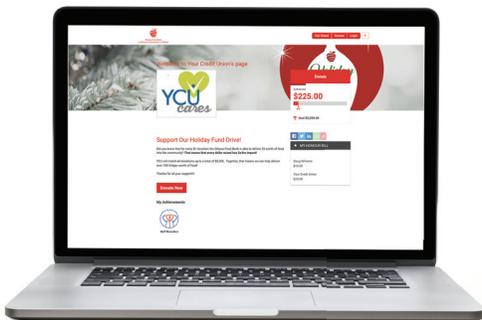
MAKING A DIFFERENCE IS IN OUR BLOOD

A departing **YCU** staff member requested that their colleagues donate blood rather than give a parting gift. The response from **YCU** staff was characteristically enthusiastic, resulting in a total of 10 units of blood being collected. These 10 units have the potential to save up to 30 lives. We are extremely proud of our colleagues, and, in the words of Tahawar M. Rana of Canadian Blood Services, "Your efforts exemplify the true spirit of community service, and your contributions are making a sincere difference in the lives of patients across Canada."



ANGELS HELPING ANGELS

Your Credit Union in Cornwall has long supported the Optimist Club's Angel Tree Campaign. The initiative collects donations of cash and gifts to ensure over 1,500 under-privileged children in the community receive presents at Christmas. **YCU** staff and members raised funds through a bake sale and donation jars in addition to providing gifts for the effort. The Angel Tree has become a holiday tradition for **YCU** staff and members, and it truly is an example of Angels ensuring our little Angels have a magical Christmas.



FOOD IS NOT A GIFT, IT IS A RIGHT

Your Credit Union works with food banks in Ottawa and Cornwall throughout the year to alleviate food insecurity in our communities. Our Christmas food drives raised \$7,250 in addition to food donations. **YCU** also partnered with the Agapé Center in Cornwall and raised \$1,195 for the purchase of protein; the most essential and expensive food the centre provides. **YCU** encouraged our members and the general public to donate to this initiative and matched those donations to \$2,500. While **YCU** is involved with a variety of community initiatives, we have a focus on homelessness and food insecurity as conditions that must be addressed before individuals can hope to rebuild their lives and achieve financial wellness.

WELLNESS FOR WOUNDED WARRIORS

When YCU supports an organization like Wounded Warriors we try to do so in a way that leverages our expertise and offerings in addition to any financial assistance we might provide. Veterans and first responders who suffer injury are often faced with financial challenges as well. Financial Wellness offers a path to achieving a level of security and comfort that positively affects ones mental and physical health. Because we are owned and co-operatively directed by our members, our culture is one of inclusion and compassion and ideally suited to helping our Wounded Warriors find the support they need to move forward. We are truly proud to be of assistance to these incredible individuals



Our mission is to improve the financial wellness of our members

As a credit union we exist to improve the financial wellness of our member-owners. We are honoured to support Wounded Warriors Canada in their mission to help veterans, first responders and their families feel safe, supported and understood.



WE HAVE MEMBERS TOO.

Your Credit Union is owned and democratically directed by our members. We exist to meet their needs, not to maximize profit from them. We do everything a traditional bank does, but within a unique culture of care that services members, not customers. It is also our mandate, like that of the Legion, to assist the communities we serve, and we take great pride in doing so.

Join another organization where membership matters.



LEST WE FORGET

Like our support of **Wounded Warriors**, YCU supports the Canadian Legion in their efforts to assist veterans who suffer from PTSD and other mental and physical afflictions. There is a certain Esprit de Corps among our members because we share a belief in co-operative values and the importance of helping our fellow citizens. Our support of the Legion is another way we collectively practice that value in aid of those who have sacrificed for our freedoms.

EDUCATION UP CLOSE AND PERSONAL

In April of 2024 a teacher from the Ottawa Technical Secondary School reached out to YCU president and CEO Joel Lalonde to ask if the Credit Union would be willing to have someone come to address their students during a Transition Fair. The teacher noted that *“One thing that the students have asked for is someone to talk to about finances, student loans, car loans, etc.”* YCU Director of HR Sandy Tuepah and Member Service Officer Emily Harrison went to talk to the students and YCU has offered to do so in future because continuing education is a core value of the co-operative movement.





ANOTHER BENEFIT OF BELONGING TO YCU

The CU SUCCEED Youth Bursary program is offered by the Ontario Credit Union Foundation, and it provides funding to deserving youth who require financial assistance to pursue a post-secondary education. As a member of the foundation YCU is proud to offer our members an opportunity to apply for these grants on behalf of their children or grandchildren. We are very proud that two member children, Cullan and Tristan, received \$1,000 in bursaries this year. We congratulate them both and wish them the best in their continuing studies.

AND THE EDUCATION CONTINUES

Financial Co-operatives like YCU provide education to our members because it is the best way to help them make informed choices for their financial wellness. In 2024, YCU offered our members free access to a variety of webinars delivered by our partner Aviso Wealth Management on subjects like First Time Home Savings Accounts, Homebuyer Tax Breaks, Estate Planning, Registered Education Savings Plans and year-end tax tips. We also regularly publish information on scam avoidance and other issues affecting the financial services industry that may impact our members. If knowledge is power, we consistently put that power in the hands of our members.



MEET OUR BOARD

Our Board of Directors works collaboratively through various committees dedicated to fostering a dynamic and successful credit union.

- E** Executive
- A** Audit
- G** Governance
- N** Nominating

TENURE ON YCU'S BOARD OF DIRECTORS

0-3 Years	5 (55.6%)
4-6 Years	2 (22.2%)
7+ Years	2 (22.2%)



Ken Hughes
Chair **E**



John Lister
Director **E G**



Greg Walker
Director & Corporate Secretary **E A**



Ed Miner
Director **A**



Rick DeBenetti
Director **A G**



Brian Keen
Vice-Chair **E A**



Michael Nauth
Director **G N**



Chris Cobb
Director **G N**



Russell Abraham
Director **G N**

STATEMENT ON DIVERSITY, EQUITY, AND INCLUSION

At **Your Credit Union**, we believe that diversity, equity, and inclusion (DEI) are essential to effective governance and long-term success. Our Board of Directors is committed to fostering a diverse composition that reflects the richness of our membership and the communities we serve. We recognize that a truly diverse Board should encompass a wide range of experiences, skills, and perspectives, including differences in age, gender identity, racial or ethnic background, Indigenous status, abilities, sexual orientations, and cultural identities.

To underscore this commitment, the Board has implemented a clear diversity target, which is reviewed and updated annually. As of 2024, our Board was comprised of nine men out of a total of nine board directors. We acknowledge that there is work to be done in achieving gender and overall diversity, and we are actively working towards that goal.

Our diversity policy guides our recruitment and nomination processes, where we strive to identify and recommend the most qualified candidates who can bring diverse perspectives to our Board. We believe that diversity of thought, experience, and background is critical to making informed decisions that benefit all members of our Credit Union.

We recognize that achieving true diversity and inclusion is an ongoing process, and we are committed to continuously enhancing our practices to ensure that our Board evolves to better reflect the communities we serve. By fostering an inclusive environment where all voices are valued, we aim to strengthen our governance and better serve our members.



The Audit Committee of the Board of Directors fulfills the responsibilities of the Audit Committee as 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, comprised of four members of the Board of Directors, held seven meetings during the fiscal year ended September 30, 2024. 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:

- Serves as the principal communication link between the external auditors and the Board of Directors and, in particular, reviews the terms of engagement and scope of the audit, and reviews the Credit Union’s annual financial statements prior to Board approval for issuance to the members.
- Obtains 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.
- Serves as the Board’s liaison with the internal auditor and reviews the internal audit mandate, work plan and reports.
- Reviews 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 **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 matters 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 also would 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



The following charts provide a summary of the financial status of the Credit Union over the past five years. Key factors and results from the 2024 fiscal year include:

INTEREST RATE ENVIRONMENT

- High and volatile interest rates created a challenging environment.
- Resulted in higher funding costs and lower overall margins.

OPERATING PERFORMANCE

- Operating expenses were maintained at levels consistent with the previous year despite higher inflation.
- Loan losses remained low.

FINANCIAL RESULTS

- Income before taxes reduced to \$958K.
- Higher interest rates led to an increase in deposits and slower loan growth.

CAPITAL QUALITY IMPROVEMENT

- Continued focus on improving retained earnings to enhance the quality of capital.
- Retained earnings to risk-weighted capital ratio improved from 6.36% to 6.7% (regulatory minimum is 3%).

OUTLOOK

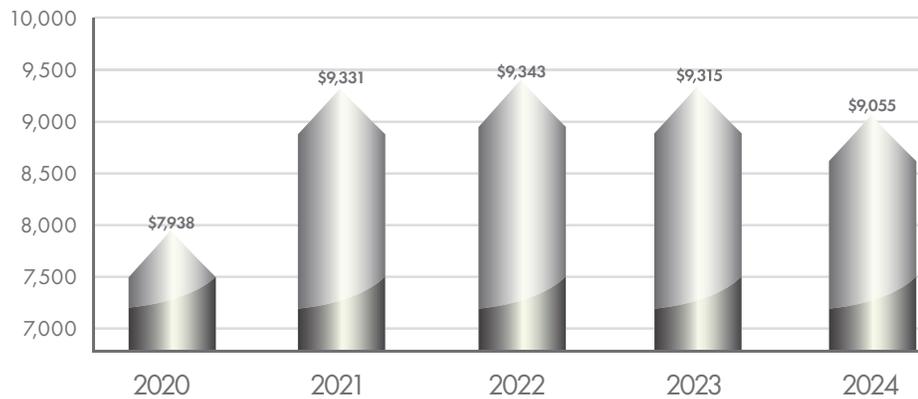
- Margins have started to improve with the recent drop in interest rates.
- Expected improvement in net income and retained earnings moving forward.



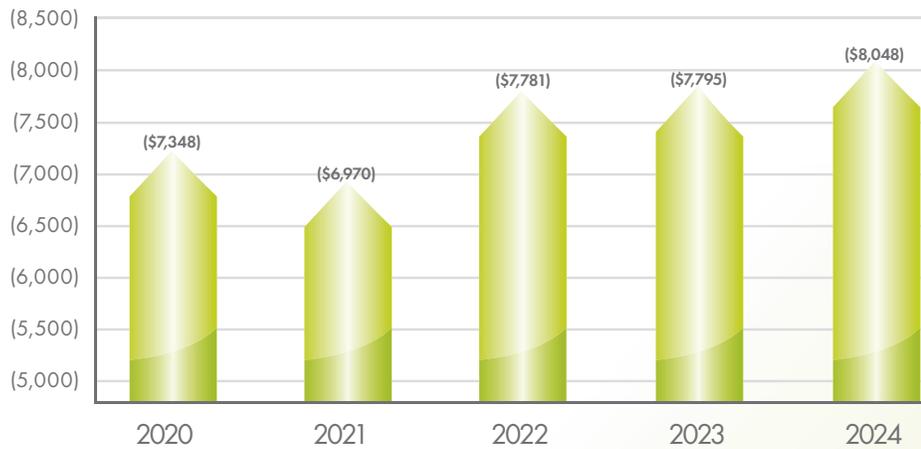
FIVE-YEAR FINANCIAL HISTORY

SEPTEMBER 30 (000s)	2020	2021	2022	2023	2024
Statements of Comprehensive Income and Changes in Members' Equity					
Interest income	\$11,580	\$11,095	\$11,615	\$14,129	\$ 15,950
Investment income	429	431	213	964	1,338
Interest expense	(4,569)	(3,905)	(3,964)	(7,422)	(9,603)
Net interest income	7,440	7,621	7,864	7,671	7,685
Provision for credit losses	(936)	201	(149)	184	(145)
Other operating income	1,434	1,509	1,628	1,460	1,515
	7,938	9,331	9,343	9,315	9,055
Operating expenses	(7,348)	(6,970)	(7,781)	(7,795)	(8,048)
Dividends on investment shares	(41)	(42)	(46)	(51)	(49)
Income before income taxes	549	2,319	1,516	1,469	958
Income taxes	(34)	(357)	(201)	(188)	(56)
Comprehensive income	515	1,962	1,315	1,281	902
Dividends on investment shares	(374)	(387)	(411)	(459)	(444)
Retained earnings, beginning of year	8,520	8,661	10,236	11,140	11,962
Retained earnings, end of year	\$8,661	10,236	11,140	11,962	12,420
Assets					
Cash and cash equivalents	\$6,401	7,502	8,638	16,570	19,094
Investments	30,074	26,307	21,401	16,640	20,159
Income taxes receivable	0	0	0	220	129
Loans to members	297,560	316,475	336,375	344,802	347,736
Property and equipment	4,931	4,560	4,209	3,957	3,853
Deferred income tax asset	140	0	155	103	93
Other assets	1,100	2,181	2,712	2,730	2,404
	\$340,206	\$357,025	\$373,490	\$385,022	\$393,468
Liabilities and Members' Equity					
Deposits from members	\$298,307	\$314,479	\$323,974	\$328,943	\$338,288
Securitized borrowings	19,611	18,317	24,735	31,588	30,526
Other liabilities	1,905	1,736	1,744	1,432	1,240
Membership and investment shares	11,722	12,257	11,897	11,097	10,994
Retained earnings	8,661	10,236	11,140	11,962	12,420
	\$340,206	\$357,025	\$373,490	\$385,022	\$393,468

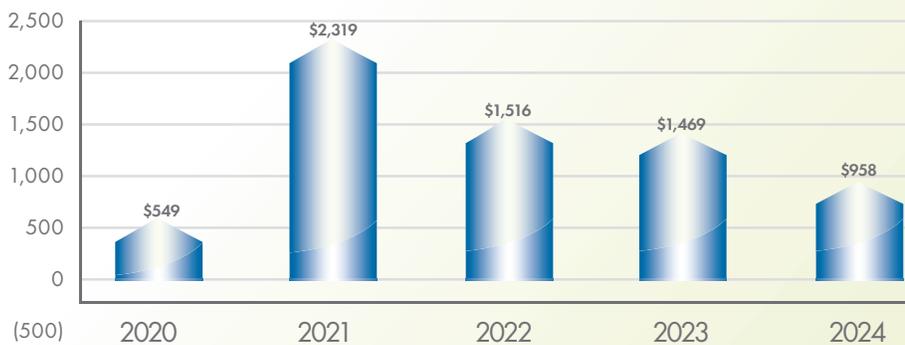
Total Income (000s)



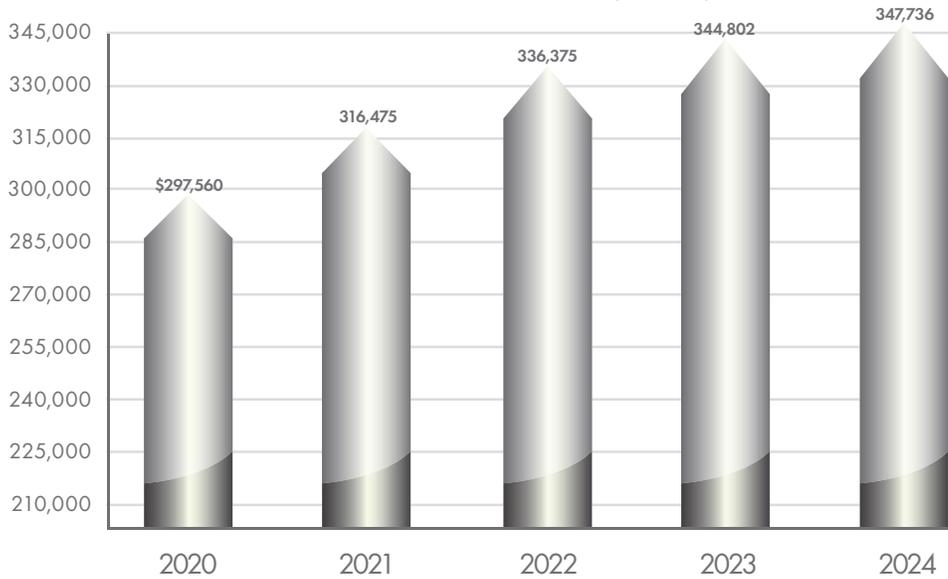
Operating Expenses (000s)



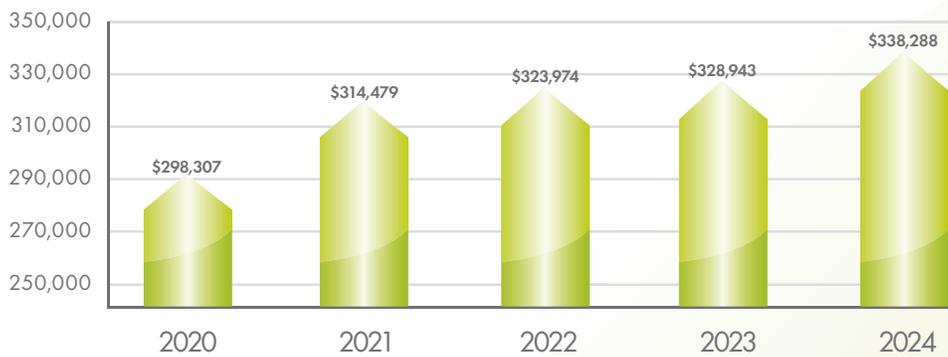
Income Before Income Taxes (000s)



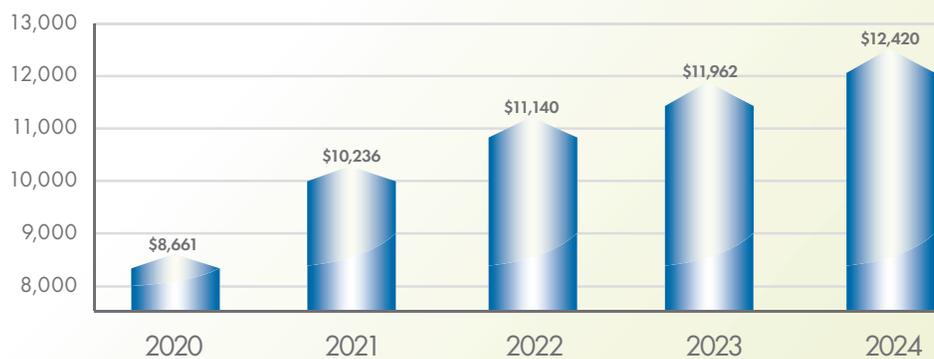
Loans to Members (000s)



Deposits from Members (000s)



Retained Earnings (000s)



FINANCIAL WELLNESS INITIATIVE

YCU FINANCIAL WELLNESS ADVISORS ARE JUST A CALL AWAY

Over the last several years **Your Credit Union** has focused on increasing the number of Financial Wellness Advisors within the Credit Union. These individuals are trained in applying the concept of financial wellness on behalf of our members. They are licensed to sell additional (or extended) financial products but have no incentive to do so unless it makes sense for the member’s needs. There are now four dedicated and two part-time advisors at **YCU** and they are available to all members for consultations with no cost or obligation.

Educating our members on the benefits and importance of financial wellness is also a goal of the **YCU** team. To support this goal, we provide a regular series of webinars each year on topics that interest our members. For example, in 2024:

**FHSA (First Home Savings Account)
Cottage and Cabin Succession
RESP and Education Savings
Year-end Tax Tips**



The Results are Impressive

The efforts of **YCU** to promote Financial Wellness and provide trained individuals to assist our members in this endeavour has yielded significant results. Over the past two fiscal years, funds administered within the Financial Wellness initiative have grown by \$19 Million representing growth of 46%. This growth is a combination of new business and increases in the value of member investments. It is an approach to financial management that suits all of our members and the co-operative principles of the Credit Union.

