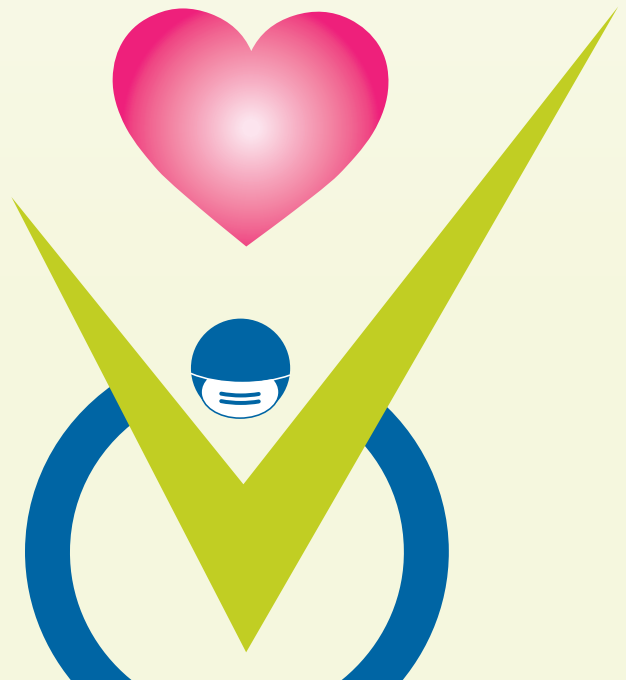


WE ARE **THANKFUL**  
TO SO MANY



**YOUR** CREDIT  
UNION  
CO-OPERATIVE BANKING

**2020**  
ANNUAL REPORT

## REPORT FROM THE BOARD CHAIR, PRESIDENT & CEO

2020 has been a challenging year for everyone but particularly for the front-line workers and first responders who have worked so diligently to keep us safe and supplied. **Your Credit Union** is the result of numerous amalgamations over the years, many of which have involved credit unions for front-line workers like teachers and transit workers. **YCU** has also had, and maintains, a very close relationship with the Cornwall Community Hospital where we have long had a branch to service hospital staff and patients. We want to extend our heartfelt thanks to all of the people who have risked their own health and safety to combat the pandemic on our behalf. Some of those individuals are members at **YCU** and we are incredibly proud that they are part of our family.

Our long-standing relationship with the Cornwall Community Hospital has, for many years, included a holiday fundraising campaign through which **YCU** matches contributions up to \$10,000. In a very difficult year, we are very pleased to report that we raised a total of \$85,124 which will be used to purchase equipment needed to keep both staff and patients safe during the COVID pandemic. This brings our five-year fundraising total to \$393,477 which would not be possible without the incredible generosity of our members.

**YCU** has taken a variety of measures to ensure the safety of our staff and members including in-branch protocols that have limited access and contact. This is not our preferred way of serving our members, but it has been necessary and met with a level of understanding and acceptance that we truly appreciate. We have gone beyond our safety procedures to bring financial relief to members who are struggling as a result of the pandemic. We offered three-month deferrals of mortgage payments and a further three months if required. About 10% of our mortgage holders took advantage of the three-month deferral but we are happy to report that only two members required a further three months deferred. Similarly, we assisted ten business members with deferrals and only one continues to require aid at this time. We also assisted 38 business members to secure government loans under the CEBA program.

In 2020 **YCU** launched its Financial Wellness Strategies initiative offering advice, services and products to help our members achieve financial wellness. Our team of Financial Wellness Advisors has been providing members with financial roadmaps that give them customized plans for reaching their financial goals. We have also added a licensed specialist who can further assist members with their more complex investment and financial planning needs. Our advisors can conduct meetings by phone and / or via video conference to ensure the safety of all.

It has been truly inspiring to see how our staff have adapted to ensure that our member's needs are met. Our members in turn have been extremely patient and understanding as we navigate this situation together. We look forward to a better year ahead and thank you for your continued support of **Your Credit Union**.

Co-operatively yours



**Celine Carriere**  
Board Chair



**Joel Lalonde**  
President & CEO

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors fulfills the responsibilities of the Audit Committee as set out 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 five members of the Board of Directors, held five meetings during the fiscal year ended September 30, 2020. 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:

- Serve as the principal communication link between the external auditors and the Board of Directors and, in particular, review the terms of engagement and scope of the audit, and review the Credit Union’s annual financial statements prior to Board approval for issuance to the members.
- Obtain 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.
- Serve as the Board’s liaison with the internal auditor and review the internal audit mandate, work plan and reports.
- Review 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 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 to 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



**Kelly Storie**  
*Chair of the Audit Committee*



## FIVE YEAR FINANCIAL HISTORY

**SEPTEMBER 30 (000'S)**                                  **2016**                                  **2017**                                  **2018**                                  **2019**                                  **2020**

### Statements of Comprehensive Income and Changes in Members' Equity

Interest income	\$8,517	\$9,006	\$10,518	\$11,319	\$11,580
Investment income	255	200	322	559	429
Interest expense	(2,723)	(3,156)	(3,948)	(4,967)	(4,569)
Net interest income	6,049	6,050	6,892	6,911	7,440
Provision for credit losses	(361)	(282)	(1,212)	(1,114)	(936)
Other operating income	1,685	1,570	1,506	1,553	1,434
	7,373	7,338	7,186	7,350	7,938
Operating expenses	(6,813)	(6,808)	(7,049)	(7,442)	(7,348)
Dividends on investment shares	(12)	(14)	(14)	(25)	(41)
Income before income taxes	548	516	123	(117)	549
Income taxes	(15)	(34)	35	64	(34)
Comprehensive income	\$533	\$482	\$158	(53)	515
Dividends on investment shares	(347)	(355)	(371)	(375)	(374)
Changes in accounting standards	0	0	0	(122*)	0
Retained earnings, beginning of year	8,970	9,156	9,283	9,070	8,520
Retained earnings, end of year	\$9,156	\$9,283	\$9,070	\$8,520	\$8,661

### Assets

Cash and cash equivalents	\$4,790	\$6,157	\$13,472	\$11,472	\$6,401
Investments	16,874	18,485	21,291	21,289	30,074
Income taxes receivable	127	0	121	127	0
Loans to members	215,228	246,480	284,456	286,069	297,560
Property and equipment	6,065	5,699	5,373	4,986	4,931
Deferred income tax asset	0	16	17	0	140
Other assets	770	846	1,163	1,148	1,100
	\$243,854	\$277,683	\$325,893	\$325,091	\$340,206

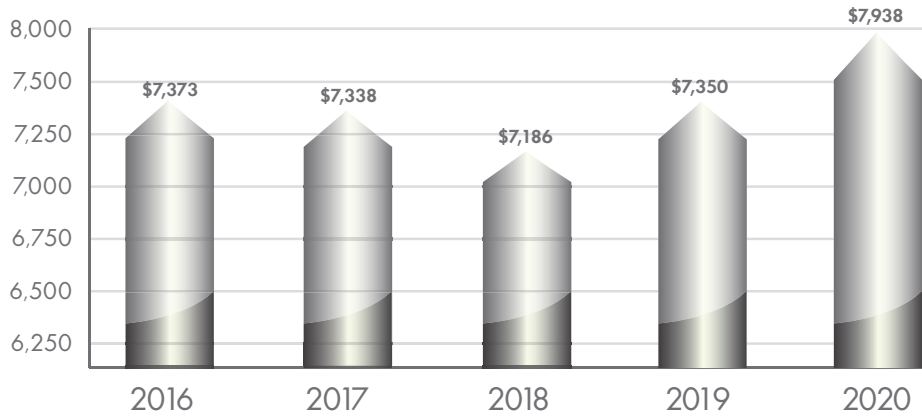
### Liabilities and Members' Equity

Deposits from members	\$223,403	\$250,963	\$288,977	\$290,516	\$298,307
Borrowings	-	6,000	-	-	-
Securitized Borrowings	-	-	16,243	13,546	19,611
Other liabilities	1,375	1,189	1,006	1,157	1,905
Deferred income tax liability	0	0	0	14	0
Membership and investment shares	9,920	10,248	10,597	11,338	11,722
Retained earnings	9,156	9,283	9,052	8,520	8,661
	\$243,854	\$277,683	\$325,893	\$325,091	\$340,206

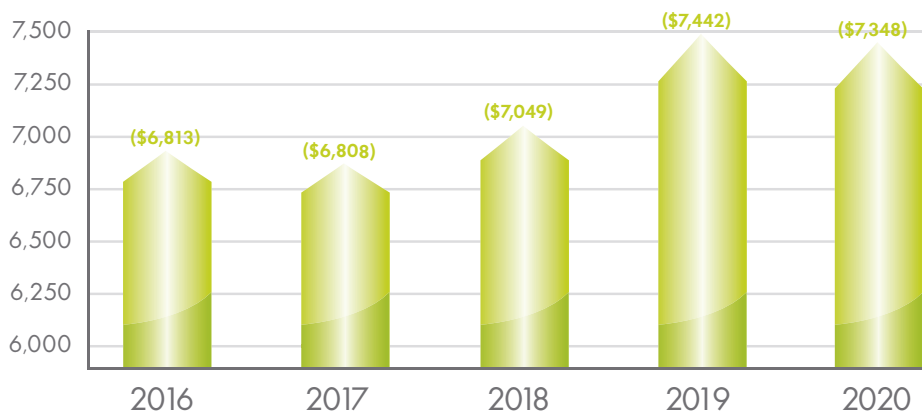
\*Introduction of IFRS 9 changed the methodology for the provision of credit losses

# FIVE YEAR FINANCIAL HISTORY

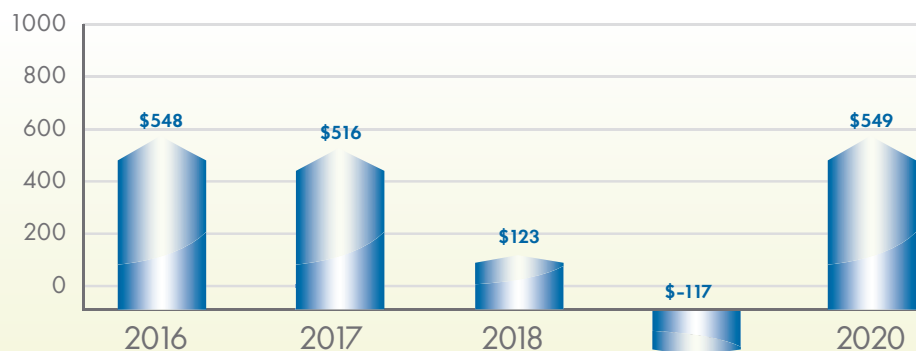
## Total Income (000s)



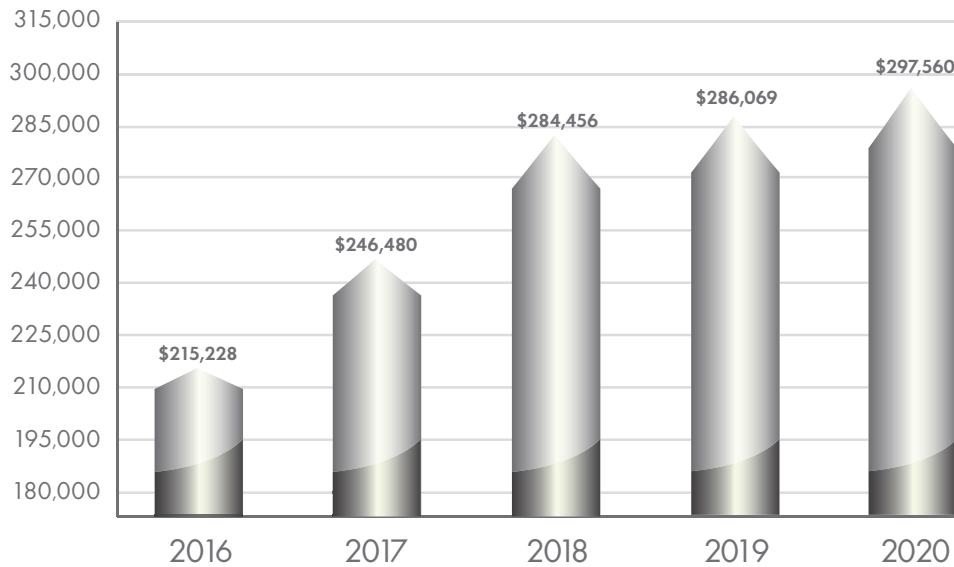
## Operating Expenses (000s)



## Income Before Income Taxes



### Loans to Members (000s)



### Deposits from Members (000s)



### Retained Earnings (000s)

