



Annual Report 2021



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VISION, MISSION AND VALUES

Our vision, mission and values come together to provide a clear direction for our credit union; they focus our efforts and guide our operations.

Our Vision

To increase overall market share.

Our Mission

To partner with our members in creating their financial success.

Our Values

Excellent service, knowledgeable staff, competitive pricing, member value & community; involvement, investment and visibility.

REPORT OF THE CHAIR

On behalf of the entire Ganaraska Financial Credit Union Board of Directors, I would like to extend a sincere welcome to all of our members, staff and invited guests who have been able to join us as we hold our 2021 Annual General Meeting.

It gives me great pleasure, to provide you with the 2021 Ganaraska Financial Credit Union, Report of the Chair. Again, this past year, it has been necessary for your Board of Directors to conduct the majority of the Credit Union Committee and Board meetings virtually. In the Fall of 2021, the Executive Team and Board of Directors were fortunate to meet in person to develop the Credit Union's 2022-2024, 3-Year Strategic Plan so GFCU has a roadmap to guide the credit union into the future.

As a local credit union, we know what you have been going through the last two years and it hasn't always been easy. We appreciate you, our members and our staff for adapting and adjusting to the safety measures we have in place, including social distancing, plexi-glass, wearing masks, increased cleaning protocols, increased usage of online banking, video meetings and phone calls. Your efforts to adapt have allowed us to keep our branches open, welcoming and safe to serve you. We have learned to adjust and adapt to the necessary measures of this virtual environment although, like everyone else, we look forward to the time when we will be able to conduct our business in person once again.

I am happy to report that, despite the changes in how we conduct our meetings, we have been able to ensure prudent oversight, while exercising our due diligence in monitoring all areas of GFCU's business. Your Directors have continued their education development through online Credit Union courses, webinars and Director Forums to develop individually in areas that strengthen our Board as a whole.

As we move into 2022, our focus will be to streamline our processes and systems to enable Ganaraska Financial Credit Union to move into the future such that we will be able to maintain the sustainability of our organization and our co-operative principles.

In closing, I would like to thank our Board of Directors for their dedicated governance, all of our employees for their adaptability in meeting the needs of our members, and our members for entrusting us with the opportunity to provide a positive impact on their financial future.

Co-operatively yours,



Wendy Giroux
Board Chair

REPORT OF THE CEO

It is my pleasure to present to you my 2021 Ganaraska Financial Credit Union “Report of the CEO”. To say my first full year as CEO was a challenging one would be an understatement. None of us could have predicted that 2021 was going to be an almost carbon copy of 2020. I can say with certainty, however, that navigating this past year would not have been possible without the hard work and commitment of our entire team.

We are all navigating the many challenges posed by COVID-19. This pandemic has impacted all of us in many ways. Ganaraska Financial Credit Union has proudly been here to support our members, employees and communities.

- We are here for our members; your well-being is our priority and we are committed to helping you through unsettled times. This includes serving you differently in the midst of a pandemic by providing advice on managing your finances through uncertain times, offering flexibility through deferrals on loan payments and providing access to government programs.
- We are here for our employees; ensuring our employees a safe and healthy workplace. We have adapted our business model to ensure employees can work in a safe and comfortable environment without jeopardizing the advice and service available to members.
- We are here for our communities; our staff are highly committed to your financial well-being and the communities we serve. While COVID-19 restricted a number of events and fundraisers from happening again this year, GFCU continued to work hard to give back to our communities. GFCU is proud to have donated over \$22,000 in donations and sponsorships to support organizations that work tirelessly to provide much needed services to our communities, and to make our communities a better place to live, work and play.

We are deeply aware that our society will be forever changed by this pandemic, and as such, will continue to work through this ever-changing environment, being especially mindful of our collective need for a sense of stability. In 2021, we worked together to evolve with the needs of our members and to serve our communities with our core values as the foundation of all that we do.

With our co-operative principles driving us forward, we continued our efforts to align our digital banking platform with the industry-leading standard of Central 1. This partnership enabled us to collaborate with a number of like-minded credit unions to strengthen our digital presence. Some of our 2021 digital initiatives included:

- In March of 2021 we launched a new website platform. Based on new underlying technology, it will provide for the next generation of development and is a major upgrade that allows for more creative control.
- In April of 2021 we launched new Email Money Transfer features for both our retail and small business members. These features include the ability to request money as well as set up automatic deposits.

In addition to all of the digital enhancements our Credit Union has been working on, we can't forget that our one-on-one interactions, and our ability to engage with our members and our communities in real time is paramount. Ganaraska Financial Credit Union will continue to uphold our core values of ensuring that honesty and integrity guide everything we do, to hold respect for every person, to remain energetic, dynamic and motivated in our pursuits, and to be innovative and entrepreneurial as we look for creative solutions to fulfill the expectations of our members, employees and communities in 2022.

I would like to thank our employees, management team and Board of Directors for their contributions made in 2021. Our dedicated employees have persevered through a time of great uncertainty. Our employees have been and continue to be our greatest asset.

Thank you to our Board of Directors for your guidance this past year and thank you to our members who supported us through 2021. Thank you for standing by us, you are the reason our credit union exists!

And lastly, I would like to express my sincere gratitude to Evelyn Vander Mey and Dianne Huffman who are retiring from the Board after serving more than 15 years. You took on your board duties with dedication, grace and seriousness. You will be sorely missed.

Respectfully submitted,



Kathy Foster
Chief Executive Officer

STAFF YEARS OF SERVICE

In 2021 GFCU recognized employees for their important contributions and thanked them for their years of dedicated service.

35 Years Eleanor Bonham

30 Years Mabel Piper

15 Years Kate Latchford

10 Years Kelly Winslow

5 Years Lori Chapman



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MANAGEMENT RESPONSIBILITY

The accompanying financial statements of Ganaraska Credit Union Ltd. and all information contained in this Annual Report are the responsibility of management. The financial statements have been prepared using the appropriate accounting policies that are in accordance with International Financial Reporting Standards. Management is also responsible for the integrity and fairness of the information presented, which include certain amounts that are based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material aspects.

Ganaraska management has developed and maintains a system of internal accounting and administrative controls. The systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate for preparation of financial statements and that assets are properly accounted for and are safeguarded. The Board of Directors is responsible for ensuring that Management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carried out its responsibilities for the financial statements through its regular review of financial results and operations and through its Audit Committee. The Audit Committee is appointed by the Board.

The Committee meets periodically, as per regulations, with Management, the external auditors and reviews quarterly third party internal audit reports. Internal controls, the financial reporting process, auditing matters and overall financial reporting issues are reviewed and discussed to satisfy itself that each party is properly discharging their responsibilities.

The financial statements have been audited by Tinkham LLP, our member appointed external auditors and their report is shown as part of the summarized financial statements.



Kathy Foster
Chief Executive Officer

AUDIT COMMITTEE REPORT

The Audit Committee of Ganaraska Credit Union Ltd. is a committee of the Board of Directors pursuant to section 125 of the Credit Union and Caisse Populaires Act, 1994. The Committee, which consists of seven directors, has adopted a mandate which covers all the duties which are specified in the Regulations and Act.

The Audit Committee meets at least quarterly throughout the year (in 2021 the Committee met 4 times) and has the following oversight responsibilities;

- Financial reporting and disclosure;
- The external audit function;
- The internal audit function;
- Risk management and control environment; and
- Compliance.

As per Ganaraska's Audit Committee Charter, the committee's purpose is to oversee and assess the:

- Integrity of the financial reporting process and financial statements;
- Adequacy of the internal and external audit functions;
- Adequacy and effectiveness of internal controls;
- Adequacy and effectiveness of the risk management process;
- Compliance with legal and regulatory requirements;
- External auditor's qualifications and independence;
- Performance of the external auditors; and
- Performance of the internal audit function.

The Committee received full co-operation and support from management. There are no significant recommendations made by the Audit Committee that management has not implemented and there are no matters which the Committee believes should be reported to the members or are required to be disclosed pursuant to the Act or regulations.



Peter Dounoukos
Chair, Audit Committee

D C Tinkham FCPA FCA CMC LPA
P J Brocklesby CPA CA LPA
M Y Tkachenko CPA CA
M W G Rooke CPA CA LPA
A C Callas CPA CA LPA
G P Kroeplin CPA
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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of
Ganaraska Credit Union Ltd.

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2021 and the summary statement of comprehensive income for the year then ended are derived from the audited financial statements of Ganaraska Credit Union Ltd. for the year ended December 31, 2021.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements on the basis described in the note to the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 1, 2022.

Other Matter

The audit report on the financial statements of Ganaraska Credit Union Ltd. for the year ended December 31, 2021 identified that the financial statements for the year ended December 31, 2020 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those financial statements on February 24, 2021.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in the note to the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard 810, Engagements to Report on Summary Financial Statements.

TORONTO, Ontario
March 1, 2022

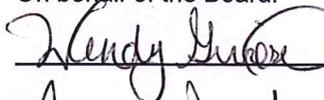


Licensed Public Accountants

Ganaraska Credit Union Ltd.
Summary Statement of Financial Position

As at December 31	2021	2020
Assets		
Cash	\$ 9,884,632	\$ 22,634,860
Investments	25,371,033	13,679,298
Income tax	-	10,000
Deferred tax	176,969	294,000
Loans to members	172,641,489	170,645,550
Prepaid expenses and other assets	1,066,633	843,815
Property and equipment	2,380,800	2,536,574
	\$ 211,521,556	\$ 210,644,097
Liabilities, Member Entitlements and Members' Equity		
Liabilities		
Accounts payable and accrued liabilities	\$ 113,029	\$ 297,218
Deferred loan commitment fee revenue	187,667	47,810
	300,696	345,028
Member entitlements		
Members' deposits	200,911,194	200,460,957
Members' share capital	2,104,595	2,113,965
	203,316,485	202,919,950
Members' equity		
Members' share capital	7,414,555	7,218,300
Retained earnings	790,516	505,847
	8,205,071	7,724,147
	\$ 211,521,556	\$ 210,644,097

On behalf of the Board:

 Director

 Director

A full set of audited financial statements is available from the Credit Union.

Ganaraska Credit Union Ltd.
Summary Statement of Comprehensive Income

Year ended December 31	2021	2020
Interest income		
Interest on loans to members	\$ 6,210,697	\$ 7,412,468
Investment interest and dividends	116,900	211,022
	6,327,597	7,623,490
Interest expense		
Interest on members' deposits	4,154,621	4,653,896
Provision for (recovery of) expected credit losses on member loans	(769,870)	1,319,943
	3,384,751	5,973,839
Financial margin	2,942,846	1,649,651
Other income	1,649,372	1,315,492
Operating expenses	4,000,833	4,356,966
Net comprehensive income (loss) before provision for income taxes	591,385	(1,391,823)
Provision for (recovery of) income taxes	127,032	(307,400)
Net comprehensive income (loss) for the year	\$ 464,353	\$ (1,084,423)

A full set of audited financial statements is available from the Credit Union.

Ganaraska Credit Union Ltd.

Note to the Summary Financial Statement

December 31, 2021

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at December 31, 2021 and December 31, 2020 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be included to ensure they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- (a) The summary financial statements include a statement for each statement in the audited financial statements, except the statement of members' equity and statement of cash flows, which can be obtained from the complete set of audited financial statements;
- (b) Information in the summary financial statements agrees with the related information in the audited financial statements;
- (c) Major subtotals, totals and comparative information from the audited financial statements are included; and
- (d) The summary financial statements contain the information from the audited financial statement dealing with matters having pervasive or otherwise significant effect on the summary financial statements.

A full set of audited financial statements is available from the Credit Union.

LENDING SERVICES

When you're a Ganaraska Financial Credit Union member, your money doesn't just sit around – it gets put to work through investments back into your community. Member deposits are our primary funding source that help your neighbours get loans to buy homes, start businesses, get educated and more! These investments help to drive the local economy forward and help make our province a great place to live!

		2021		2020
Personal Loans	78	\$ 2,688,834	89	\$ 1,295,477
Personal Line-of-Credit	95	\$ 230,350	60	\$ 133,250
Personal Mortgages	165	\$ 52,473,292	97	\$ 39,208,755
Commercial Line-of-Credit	0	\$ 0	3	\$ 17,000
Commercial Loans & Mortgages	4	\$ 1,355,618	0	\$ 0
TOTAL APPROVED	342	\$ 56,748,094	258	\$ 40,654,482
CEBA Loans Funded		\$ 560,000		\$ 1,600,000

The table above includes the mandatory reporting of lending activity for the Year Ended December 31, 2021 (as required by Ontario Regulation pursuant to the Credit Unions and Caisses Populaires Act 1994)

WE ARE A PROUD COMMUNITY

A credit union relies on its community for success, and we truly believe we can play a large part in making our communities better, stronger, and more vibrant. Ganaraska Financial Credit Union knows the power of working together to accomplish a goal, and we are proud of our corporate donations and sponsorships. Donations assist other organizations in reaching their financial goals and help them provide the services we rely on.

Our staff knows giving back is another important way to show we care about the members we serve.

2021 DONATION & SPONSORSHIP LISTING



Thank You TO THE COMMUNITIES WE SERVE



1945

1950-1960

1962-1965

1973-1984

In May 1945, Ganaraska Credit Union opened its doors to the public. The first office was in the basement of the treasurer's home, located at 74 Bruton Street in Port Hope.

During this year, there were 21 loans issued for a total of \$1,311.

The first ever loan was made for \$50. By the year end, there were 67 members with assets of \$1,446

Ganaraska Credit Union's membership grew to 247 members with assets of \$30,930.

The mortgage loan limit was increased to \$4,000

By the 10th Anniversary, Ganaraska Credit Union issued loans totalling \$500,000

Personal chequing accounts were introduced

In May of 1962, the purchase of the Morton Building at 17 Queen Street was completed.

During the 20th year, Ganaraska Credit Union was proud to report a membership of 1634 members and assets of \$1,013,434.00, our First Million!

Ganaraska Credit Union purchased its first computer, a Phillips P350.

In June '75, mortgage loan limits were increased to \$30,000 and lines of credit were introduced to its members.

We survived the 1980 Port Hope Flood!

In 1984, Ganaraska Credit Union merged with Cangecco Credit Union.



IT'S AN HONOUR!



1985-1986

1995-2002

2010-2014

2015-2021

Ganaraska Credit Union merged with Cobourg Credit Union.

The construction of the new Port Hope office began.

In April 1986, the official Grand Opening of the Port Hope office was held.

During the Grand Opening the first ATM in Northumberland County was unveiled.

Ganaraska Credit Union celebrated its 50th Anniversary. In that 50 year span, 5200 members had joined with assets exceeding \$30 million.

In 2002 Ganaraska Credit Union changed its name to what is now called Ganaraska Financial Credit Union.

In May of 2010, we marked the 65th Anniversary of Ganaraska Financial Credit Union!

In 2014, we purchased our Peterborough branch. Hit \$100M in assets!

In 2015, we purchased our Cobourg branch location.

In 2019, just as we entered our 75th year anniversary, we hit \$200M in assets!





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