



# Annual Report 2022



## 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 our members, staff, and invited guests who have been able to join us as we hold our 2022 Annual General Meeting. It gives me great pleasure, to provide you with the 2022 Ganaraska Financial Credit Union, "Report of the Chair".

Your Board is anchored by a commitment to serve in the best interests of our members, your board works with senior management to provide input into the organization's strategic direction and to provide oversight to safeguard its stability and sound business practices. 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.

Looking back, I am proud to share that despite prolonged economic uncertainty, GFCU closed the year in a positive position, and the GFCU team continued to demonstrate its resilience while delivering on our credit union's purpose. Everyone at GFCU stepped up to deliver for our members, showing their dedication and commitment.

As we move into 2023, 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.

As we close another fiscal year of progress and growth, I would like to thank the Board for its experienced and thoughtful leadership, our chief executive officer and the executive team for guiding us confidently through these unprecedented economic times while delivering a positive financial performance. Most importantly, I would like to thank our members, who are committed to GFCU as their trusted banking partner. There are many options available to you, and we value the confidence you have in us.

Co-operatively yours,



Wendy Giroux  
*Board Chair*

## REPORT OF THE CEO

It is my pleasure to present to you, our members, my 2022 Ganaraska Financial Credit Union “Report of the CEO”.

I am extremely proud of GFCU, of who we are, and what we represent. I take pride every day seeing first-hand, our credit union’s tremendous contribution to the financial well-being of our membership; the professional development of staff; and our financial and in-kind support to the communities we serve.

Member behaviour and the financial landscape is ever changing and the pandemic accelerated the shift from traditional traffic to more digital activity. Over the past decade, credit unions and other financial institutions were focused on opening more branches. Today most are decreasing their physical footprints because of the emergence of additional banking options, most notably online and digital tools and resources. For GFCU, the decision to consolidate our branch footprint with the closure of the Peterborough Branch was made to help ensure the long-term financial viability of our organization, as well as, the ability to ensure resources for other projects to support the changing needs of members and the communities we serve. I am happy to report that all of the Peterborough Branch employees were offered the opportunity to transition into different roles and branches at the Credit Union.

Our employees, who are the “flag bearers” of our cause, championing local initiatives, continue to work diligently to make a difference in the lives of their communities and the people that reside within them. Through our employee volunteer program, our employees gave back countless volunteer hours to worthy causes in our local communities. In addition, through our Community Investment Program and our in-branch staff fundraising, the credit union was able to contribute over \$28,000 to local charities in 2022. As the world moves quickly into a digital environment and fewer members are visiting their branches, the focus on community and building key community partnerships becomes more vital, further extending our philanthropy, community economic development, and financial literacy efforts.

In 2022 our team worked diligently to ensure your credit union’s alignment with the modernized regulatory requirements developed by the Financial Services Regulatory Authority of Ontario known as FSRA. For the benefit of the credit union sector, and ultimately all its members, the provincial regulator established new rules on sound business and financial practices, capital adequacy requirements, and liquidity adequacy requirements. These rules outline principles-based requirements for corporate governance, risk management, and other operations such as compliance and finance. Our credit union supports the implementation of this innovative framework because it will result in a more robust and competitive sector, benefiting consumers who choose to bank with a credit union. This ongoing transformation of the financial services landscape and the strengthening of the credit union sector is good for our members and the communities that Ganaraska Financial Credit Union serves.

In 2022, GFCU marked an important milestone by becoming a certified Living Wage Employer by the Ontario Living Wage Network. A living wage reflects an income that a worker must bring home in order to meet their basic living needs and participate more fully in life, work and community. It’s important to show our commitment to support our employee’s financial security and economic well-being. As a Certified Living Wage Employer, we are building resilience and wealth in the communities where we live and work.

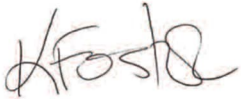
In 2023 you will see an increased effort around the improvement and development of our IT infrastructure, analytics, origination systems, and payment strategies. Also, in addition to all the digital enhancements our Credit Union has been working on, we cannot forget our one-on-one interactions, and our ability to engage with our members and our communities in real time. GFCU 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 2023.

The efforts and commitment of our leadership teams and our Board of Directors are central to our success. These individuals rise to every challenge and opportunity and exemplified the co-operative principles that form the foundation of our Credit Union.

I am very fortunate to lead such an amazing group of people and I thank all GFCU employees for their hard work and many contributions to our achievements. We were successful while enduring another challenging year and I am grateful for all their efforts and commitment to serving our members.

To our members, everything we do is because of our commitment to you, and I thank you for your ongoing support. With our members' best interests at heart, we strive to deliver the advice, products, and services needed to help you reach your financial goals. I know that together, with a shared purpose, we will continue to grow and build Ganaraska Financial Credit union.

Respectfully submitted,



Kathy Foster  
*Chief Executive Officer*

## THANK YOU FOR YOUR SERVICE

In 2022 two long-time Board of Directors and one of our staff retired. GFCU recognizes and thanks Directors Dianne Huffman and Evelyn VanderMey and staff Lori Chapman for their commitment and dedication to GFCU. Wishing you all the best in retirement.



## 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 and operates under Section 125 of the Credit Unions and Caisses Populaires Act of 2020 and with guidance from Financial Services Regulatory Authority Ontario (FRSAO). The committee is elected annually in April and in 2022-2023 consisted of: Peter Dounoukos Chairperson, Directors; Ron Wiebe, Rob O'Neil, Patty Maguire and Intern Director, Lynda Deveau.

- The Committee held four (4) meetings during the year.
- Reviewed the quarterly Financial Statements of the Credit Union and the associated notes and schedules monitoring the results of compliance with the International Financial Reporting Standards 9 (IFRS9), Capital Reserve requirements, liquidity and interest rate risk requirements as outlined by the Credit Union Caisses Populaire Act, Regulations and Government Regulators.
- Ganaraska Financial Credit Union has two auditing firms as required by regulation. Tinkham LLP is the external auditor and Jones & O'Connell LLP is the internal auditor.
- As is done each December the Audit Committee worked with our internal auditors (Jones & O'Connell) to develop an audit plan for the following year. The Committee met quarterly with the internal auditor to discuss audit findings and recommendations as well to review all material internal control issues and recommendations. The committee monitored management's response to all internal audit recommendations.
- Reviewed all policies, procedures, and controls of the Credit Union which relate to legislative compliance with a particular focus on Enterprise Risk Management (ERM) which includes but not limited to: Operational Risk, Technology Risk, Fiduciary Risk, Regulatory Risk, Outsourcing Risk and Management Expenditure. As these Policies are specified in the Act or by Financial Services Regulatory Authority Ontario. The Audit Committee is pleased to report to the Membership that all aspects of the Committee's annual mandate have been achieved and all significant recommendations of the Committee have either been implemented or are in the process of being implemented.
- Tinkham LLP, the external auditor, audits the financial statements and reports to the Audit Committee. The Committee served as the principal communication link between the External Auditor and the Board of Directors and in particular reviews the terms of engagement, the scope of the annual audit, the Auditor's Management Letter, and the Credit Union's Financial Statements. We also hosted a meeting with our External Auditor at which the whole Committee was present to review the year-end Financial Statements.
- Based on its findings, the Audit Committee reports to and makes recommendations to the Board of Directors with respect to the matters outlined regarding policy, internal controls, legal actions, compliance with the Credit Union Caisses Populaires Act and Regulations and Financial Services Regulatory Authority Ontario. The committee follows up on all issues to ensure that all our recommendations are implemented.
- The Audit Committee is pleased to report to the Membership that all aspects of the Committee's annual mandate have been achieved and that all significant recommendations of the Committee have either been implemented or are in the process of being implemented.

There are no matters that the Audit Committee believes should be reported to the Membership and there are no issues that are required to be disclosed pursuant to the Credit Union Caisses Populaires Act or the Regulations. The Committee is pleased with the co-operation from Management and both External and Internal Auditors in completing all off the required activities in an efficient timeframe during the 2022 fiscal year.



Peter Dounoukos  
*Audit Committee Chair*

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  
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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, 2022 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, 2022.

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 February 28, 2023.

### 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  
February 28, 2023

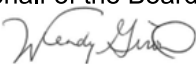
  
**Licensed Public Accountants**

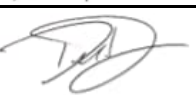


**GANARASKA CREDIT UNION LTD.**  
 Summary Statement of Financial Position

As at December 31	2022	2021
<b>Assets</b>		
Cash	\$ 12,345,746	\$ 9,884,632
Investments	14,985,082	25,371,033
Deferred tax	143,486	176,969
Loans to members	172,157,907	172,641,489
Prepaid expenses and other assets	933,304	1,066,633
Property and equipment	1,597,132	2,380,800
	<b>\$ 202,162,657</b>	<b>\$ 211,521,556</b>
<b>Liabilities, Member Entitlements and Members' Equity</b>		
Liabilities		
Accounts payable and accrued liabilities	\$ 54,605	\$ 113,029
Deferred loan commitment fee revenue	195,607	187,667
	<b>250,212</b>	<b>300,696</b>
Member entitlements		
Members' deposits	191,125,486	200,911,194
Members' share capital	2,015,515	2,104,595
	<b>193,141,001</b>	<b>203,015,789</b>
Members' equity		
Members' share capital	7,673,382	7,414,555
Retained earnings	1,098,062	790,516
	<b>8,771,444</b>	<b>8,205,071</b>
	<b>\$ 202,162,657</b>	<b>\$ 211,521,556</b>

On behalf of the Board:

 Director

 Director

**GANARASKA CREDIT UNION LTD.**  
 Summary Statement of Comprehensive Income

Year ended December 31	2022	2021
Interest income		
Interest on loans to members	\$ 6,102,474	\$ 6,210,697
Investment interest and dividends	267,622	116,900
	<b>6,370,096</b>	<b>6,327,597</b>
Interest expense		
Interest on members' deposits	3,874,923	4,154,621
Provision for (recovery of) expected credit losses on member loans	(128,086)	(769,870)
	<b>3,746,837</b>	<b>3,384,751</b>
Financial margin	2,623,259	2,942,846
Other income	1,330,682	1,649,372
Gain on sale of real property	573,498	-
Less: Operating expenses	3,938,530	4,000,833
Net comprehensive income before provision for income taxes	588,909	591,385
Provision for income taxes	33,483	127,032
Net comprehensive income for the year	<b>\$ 555,426</b>	<b>\$ 464,353</b>

## **GANARASKA CREDIT UNION LTD.**

Note to the Summary Financial Statement

December 31, 2022

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The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at December 31, 2022 and December 31, 2021 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.

## 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 services we rely on.

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

## 2022 DONATION & SPONSORSHIP LISTING



The Giving Tree

Community Works



Tammies Jammies



# Thank You TO THE COMMUNITIES WE SERVE....



... AND TO OUR AMAZING MEMBERS!