



ANNUAL REPORT 2020



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81st Annual General Meeting AGENDA

Meeting of
Tuesday, April 13, 2021 at 7:00 p.m.

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OUR VISION

Your member owned financial partner providing a safe, trusted and innovative environment offering financial security to current and future generations.

OUR MISSION

To create a partnership between members and their credit union for mutual financial success.

OSHAWA COMMUNITY CREDIT UNION BOARD OF DIRECTORS AND ALL EMPLOYEES ARE COMMITTED TO:

- Respecting the dignity and privacy of individuals.
- Assisting in the development of each person's self-reliance.
- Providing quality service and competitive products.
- Protecting the financial resources of our members.
- Improving the quality of life for people within our community.
- Operating within sound business policies, the Act and Regulations.
- Honouring the philosophy of "**People Helping People**".

"I've been a member of this Credit Union since 1974. The staff have always been helpful, considerate, and very friendly to anyone who comes in the door. The welcoming "hello" when you enter, the smiles and or wave of acknowledgement has turned a bad day into a good one, made me feel special, put a smile on my face. The services feel like they are automatically customized for me. I have and will continue to recommend the Oshawa Community Credit Union. Their Benchmark is high but they meet it daily."

A. Webster



Annual General Meeting

Tuesday, April 7, 2020 at 7 p.m.

R. Vanderkwaak, Chair of the Board of Directors, called the meeting to order at 7 p.m.

R. Vanderkwaak opened the meeting and welcomed everyone to the 80th Annual General Meeting for Oshawa Community Credit Union Limited.

R. Vanderkwaak noted that this meeting is being held electronically, as required under the government regulations associated with the COVID 19 pandemic outbreak.

The membership observed a moment of silence in memory of our deceased members.

L. Treen announced the recorded members:

As of 7 p.m. the Annual Meeting Registration Included:

- 30 Voting Members: combined of 5 members physically present & 25 members participating electronically.
- 4 guests participating electronically.

For a total registration of 34 people in attendance.

R. Vanderkwaak declared a quorum exists according to By-Law #1 which requires a minimum of 20 members to constitute a quorum.

R. Vanderkwaak acknowledged the members of the Board, management team and staff.

R. Vanderkwaak acknowledged the following guests:

Corey Braun, Tinkham LLP, Chartered Professional Accountants

Abid Khawaja, FSRA Representative

Mike Ivkovic, Concentra

Nick Best, Canadian Credit Union Association.

Moved by D. Nicholls, seconded by E. Brazier:

To accept the 2019 Annual General Meeting Minutes.

Motion carried.

Moved by D. Nicholls, seconded by K. Bulloch:

To accept the Report to the Members.

Motion carried.

R. Vanderkwaak provided an overview of the Report to Members:

- Income before taxes and distributions to members of approximately \$1M.
- Approximately \$686K was added to retained earnings for an aggregate total of approximately \$9M, which makes OCCU one of the four strongest credit unions in Ontario with a capital ratio of nearing 12%.
- Installation of 2 LED signs was executed and has been an excellent source of marketing for the credit union.
- Repair and refinishing of the parking lot was completed.
- High Interest Savings account and an interest-bearing U.S. Savings Account were introduced.
- New technology products such as Auto Deposit, Request Money and Remote Capture Deposit were introduced.
- New VOIP phone system was installed and has proven to be very beneficial during this time of crisis. Employees can work remotely and answer calls from their smartphones.

R. Vanderkwaak noted in 2020 the office has been revitalized with a new look and the installation of a new Technological Education and Assistance Center for members to learn how to use online services and products.

J. Remillard addressed the membership and thanked the Board for their support they provide in 2019 to management in moving the credit union to a more electronic based financial service provider.

J. Remillard also noted due to the current pandemic situation the credit union continues to remain strong and while branch access controls are in place, we continue to operate providing all regular services by the minimal required onsite staff, the remaining staff work from the safety of their homes.

J. Remillard advised the membership that a new website and internet banking platform, Forge, will be launched in 2020. The new platform will offer additional technology enhancements.

Moved by J. Zamora, seconded by H. Berkers:

That the Audit Committee Report be adopted.

Motion carried.

H. Smith presented the Audit Committee Report and advised the membership that the primary role of the Audit Committee is to ensure that our Credit Union meets all necessary regulatory and Board imposed standards. There are no concerns to report to the membership.

Moved by G. Paterson seconded by J. Zamora:

That the 2019 Financial Statements as presented by our external auditors Tinkham, Professional Chartered Accountants be accepted. **Motion carried.**

Corey Braun, Tinkham LLP, Chartered Professional Accountants presented the 2019 External Auditor Report.

C. Braun advised that the summary of the financial statements is a fair summary of the audited financial statement for the year ended December 31, 2019. Copies of the comprehensive financial statements are available to members upon request.

C. Braun highlighted some key financial points:

- Overall assets increased by approximately \$4m. Year ending 2019 assets reported at \$103M. Congratulations to the credit union for reaching the \$100M mark.
- Income before dividends and provision for taxes is at \$902K; Net Income for the year is \$685K.
- Members dividends, bonus interest and rebates were paid to members in the amount of \$143K.

R. Vanderkwaak presented the items under new business:

#1 – Elections

R. Vanderkwaak announced that there were three (3) positions available for position of director to each serve a 3-year term. The three incumbents: Henrietta Berkers, Cameron Salmers, and Correna Blair are acclaimed as there were no other applications submitted.

#2 – Appointment of the External Auditors

R. Vanderkwaak called upon H. Smith to explain the external audit selection process.

Moved by H. Smith, seconded by D. Nicholls:

To appoint Tinkham, Professional Chartered Accountants, as external auditors for the fiscal year 2020. **Motion carried.**

H. Smith informed the membership that the Audit Committee thoroughly reviewed and evaluated our current auditing firm and the services available from this firm.

#3 Amendments to OCCU Bylaw under Article 7.3 Term of the Chair of the Board

Moved by S. Broderick, seconded by H. Smith:

To suspend ByLaw Article 7.3 Terms of the Chair of the Board until the 2021 AGM of Oshawa Community Credit Union Limited. **Motion carried by 2/3rds.**

R. Vanderkwaak advised that no other items under other business were properly brought to the attention of the Board to address.

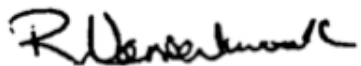
R. Vanderkwaak noted that a mass email will be sent to all members with an overview of the meeting and requested that members contact the office to update their contact information.

Moved by K. Bulloch, seconded by J. Zamora:

To adjourned the meeting.

Motion carried.

Meeting adjourned at 7:40 p.m.



Roy Vanderkwaak, Chair



Henrietta Berkers, Secretary





Report to the Membership

While 2020 was an astounding year unlike any other, your Credit Union has always historically and has once again proven, to have resiliency in remaining profitable during economic challenges.

SUCSESSES

Forge

Extensive work and development by staff laid the groundwork for our migration of internet banking platform from MemberDirect to Forge. The new platform facilitates the easy adoption and implementation of new products and services as they become available.

Annual General Meeting (AGM)

Considering the Stay-at-Home orders and the regulatory requirement to hold an annual AGM, your Credit Union successfully held their first virtual AGM keeping everyone safe while remaining accountable to the Membership.

Canadian Emergency Business Account (CEBA)

Canadian Credit Union Association (CCUA) in collaboration with Central 1, was able to expedite the participation of credit unions in the CEBA program. Your Credit Union channeled \$660,000 of CEBA funding to 18 local small business Members.

Market Code of Conduct

Management and the Policy Committee both worked hard to successfully meet the self-imposed December 31 deadline for the adoption of the credit union national Market Code of Conduct. The Code ensures a framework providing accountability for the transparent and fair treatment of all Members.

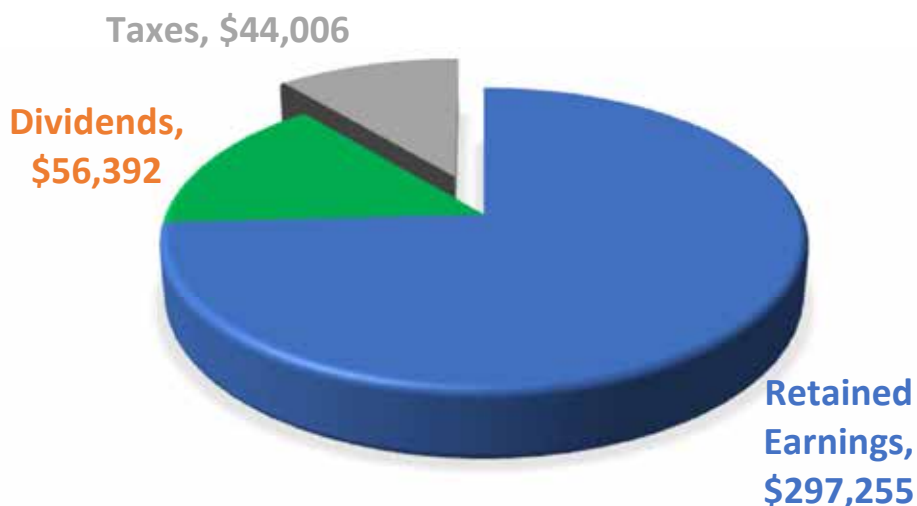
Financial Services Regulatory Authority of Ontario (FSRA)

The Deposit Insurance Corporation of Ontario (DICO), the former Regulator/Deposit Insurer but now under the FSRA umbrella, performed an onsite verification in March. The Credit Union successfully navigated being one of the first credit unions to undergo a remote regulatory audit.

Growth

Our unprecedented growth of over 19% was reflective of the Federal Government’s “flushing the system full of cash” to mitigate the negative effects of Stay-at-Home orders. Depositors can continue to have the confidence that their deposits with the Credit Union are safe and are hard at work with the Board electing to disburse some of our surplus income as dividends to Members. The remaining surplus was added to our Retained Earnings providing a further cushion to protect our Member’s deposits.

Distributions



Staff

During the year John Remillard was formally appointed General Manager, Suzanne Bramham was promoted to Retail Credit Manager and long-time employee Teresa Brudek retired.

CHALLENGES

Covid

As responsible citizens of the community in protecting our most vulnerable, all of us made and continue to make significant adjustments and sacrifices in both our personal and professional lives.

With strong Board support, management and staff rose to the occasion. Your Credit Union was able to quickly and easily “pivot on a dime” and in a matter of days the operation moved from a strictly in-branch service model to a hybrid model involving work-from-home and in-branch teams.

Recent decisions, such as upgrading our phones to a VOIP system, provided great flexibility. Despite restricted branch access and some employees being remote, with a simple download by staff onto any smart device, VOIP provides direct lines to your employee of choice and empowers them to continue to remain “as close as your fingertips”.

A small staff contingent also volunteered to be the regular on-site team while others worked from home undertaking special projects such as the development of our new website. Even many long-time members, accustomed to coming in and being greeted as family, successfully adopted alternative ways to bank.

Rate Cuts

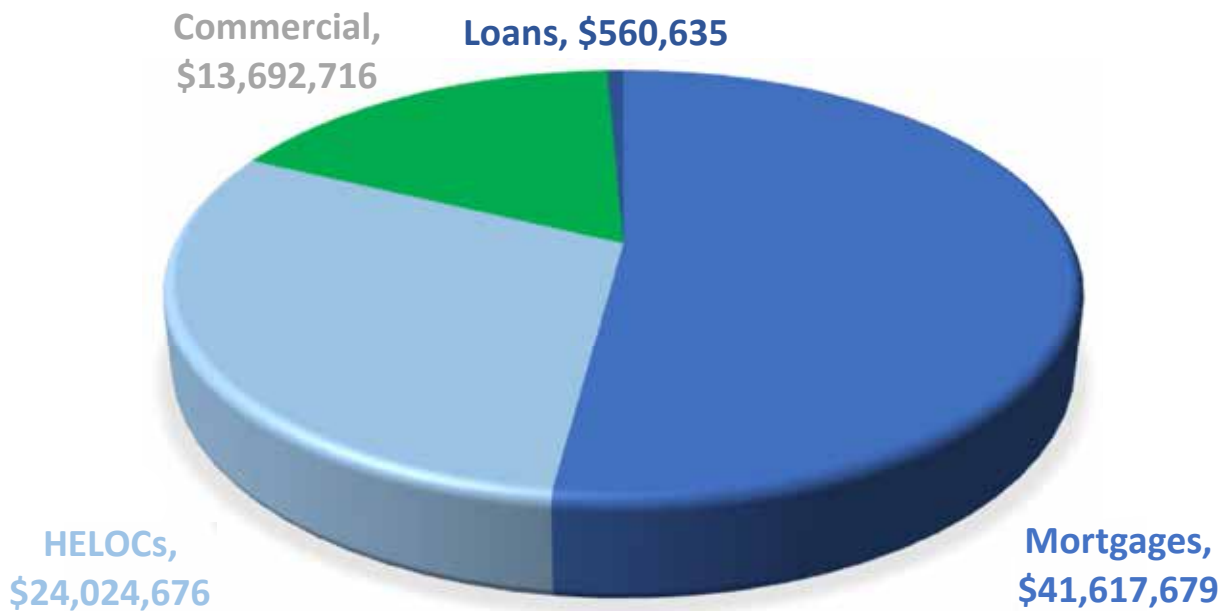
In a period of just over three weeks, the Bank of Canada cut its overnight target rate by 1.50%, a drastic measure to mitigate the economic effects of Stay-at-Home orders. So, while Credit Union income was impacted by an estimated \$100,000 per ¼% rate cut, we continued to remain profitable.

Board Committees also felt the impact of COVID; the Maintenance Committee suspended some 2020 capital projects, such as the upgrading of our HVAC system, the Policy Committee quickly approved a Working Remotely policy, and the Nominating Committee successfully recruited an Associate Director (changing circumstances resulted in an alternative Associate Director recently being appointed).

The Planning & Budget Committee was also challenged in developing a realistic 2021 budget during these uncertain times. The summarizing theme for 2021 is Operational Agility. Likewise, the Executive Committee provided close support to the management team during the year.

During the year we also reviewed 83 loan applications valued at approximately \$14.6M. Twenty-four applications valued at \$6.5M were declined while fifty-nine valued at \$8.1M were approved. The approvals included ten loans for a total of \$152,951, twenty-nine mortgages for \$4,487,023 and twenty home equity lines of credit for \$3,480,639.

Loan Portfolio





We continue to look forward to serving you in exciting new channels with new and improved electronic products and services built on the recently launched Forge internet banking platform. We also hope to see you back-in-branch in 2021 and utilizing our Technological Education & Assistance (TEA) Centre and the various devices available to learn from.

In conclusion, employees, management, and the Board of Directors collectively continue to work cooperatively and efficiently within our highly regulated framework in providing our approximately 3,600 members, with a financially strong Credit Union. As also reflected by our recent accomplishments, our commitment to new technologies coupled with our adoption of the Market Code of Conduct, we remain committed to serving our members at the highest service level possible.

All deserve financial success, and we strive to be your partner in that journey, as ultimately, your success is our success.

Respectfully,

Roy Vanderkwaak, Chairman
OCCU Board of Directors

John Remillard, General Manager
Oshawa Community Credit Union



Report from the Audit Committee

Every Credit Union has an Audit Committee whose role, in great part, is established under the Credit Unions and Caisse Populaires Act, 1994 “The ACT” and further enhanced by Financial Services Regulatory Authority of Ontario (FSRA) previously known as The Deposit Insurance Corporation of Ontario (DICO). The Committee’s function is to assist the Board of Directors in fulfilling its oversight responsibilities and is guided by OCCU’s By-Laws, policies and procedures. The primary role is to ensure that our Credit Union is meeting all necessary Regulatory and Board imposed standards.

The Committee is required to meet quarterly. CFO, Greg Greer, and Acting CEO John Remillard, regularly provide detailed financial reports on our financial results. We also meet with our Internal Auditor, to discuss his ongoing reviews of OCCU’s internal controls and compliance to Regulatory guidelines. Annually, the Committee meets with our External Auditors, Tinkham LLP Chartered Professional Accountants, to discuss and then later review their audit plans and findings. Although this represents an emphasis on our financial affairs, the Committee is, as mentioned above, also responsible for upholding Regulatory requirements.

I am extremely proud of the work that is being performed internally. We regularly receive excellent reports from our auditors, and they praise our staff for their hard work and ongoing due diligence. Based on their findings, all significant recommendations have been implemented and are in accordance with the ACT, Regulations, Audit Committee Charter and the Credit Union By-Laws.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "H. Smith", is written over a horizontal line.

Howard Smith, FCPA, FCA, Chair

Committee Members:

Henrietta Berkers

Dorothy Watson

Gillis Paterson

TINKHAM LLP | CHARTERED
PROFESSIONAL
ACCOUNTANTS

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
OSHAWA COMMUNITY CREDIT UNION LIMITED

Opinion

The summary financial statements, which comprise the summary balance sheet as at December 31, 2020 and the summary statement of comprehensive income for the year then ended are derived from the audited financial statements of Oshawa Community Credit Union Limited for the year ended December 31, 2020.

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 January 21, 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 (CAS) 810, Engagements to Report on Summary Financial Statements.

Toronto, Ontario
January 21, 2021


Licensed Public Accountants

**OSHAWA COMMUNITY CREDIT UNION LIMITED
SUMMARY BALANCE SHEET
AS AT DECEMBER 31, 2020**

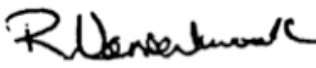
	2020	2019
ASSETS		
Cash	\$ 19,564,016	\$ 9,211,625
Investments	23,580,275	11,466,078
Loans and advances to members	79,629,517	81,943,367
Income taxes receivable	94,772	23,556
Other assets	159,576	122,472
Capital assets	925,200	967,557
Future income tax asset	110,683	106,012
	\$ 124,064,039	\$ 103,840,667

LIABILITIES, MEMBER ENTITLEMENTS AND MEMBERS' EQUITY

Accounts payable and accrued liabilities	\$ 218,776	\$ 171,480
Members' accounts and deposits	111,613,450	91,812,355
Members' share capital	2,974,239	2,896,513
Retained earnings	9,257,574	8,960,319
	\$ 124,064,039	\$ 103,840,667

Approved on behalf of the Board:


_____ Director


_____ Director

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

OSHAWA COMMUNITY CREDIT UNION LIMITED
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2020

	2020	2019
Interest income		
Interest on loans and advances to members	\$ 2,982,396	\$ 3,391,485
Investment interest and dividends	345,041	374,589
	<u>3,327,437</u>	<u>3,766,074</u>
Interest expense	991,634	968,633
Provision for impairment losses on loans and advances to members	<u>2,135</u>	<u>53,159</u>
Financial margin	2,333,668	2,744,282
Other income	<u>305,947</u>	<u>327,059</u>
	<u>2,639,615</u>	<u>3,071,341</u>
Expenses		
Salaries and benefits	1,075,036	1,037,045
General, administration and office	292,481	286,913
Data processing	219,405	194,774
Professional fees	171,052	165,162
Insurance	139,624	133,642
Cash costs and clearing charges	130,086	120,977
Occupancy	117,830	127,125
Depreciation	101,892	103,460
	<u>2,247,406</u>	<u>2,169,098</u>
Income before dividends and provision for taxes	392,209	902,243
Member dividends, bonus interest and rebates	11,767	72,839
Provision for income taxes	<u>44,006</u>	<u>143,698</u>
Net comprehensive income for the year	<u>\$ 336,436</u>	<u>\$ 685,706</u>

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

**OSHAWA COMMUNITY CREDIT UNION LIMITED
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

Summary financial statements:

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at December 31, 2020 and December 31, 2019 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 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 statements dealing with matters having pervasive or otherwise significant effect on the summarized financial statements.

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

OCCU Bylaw

Proposed Amendment

Delete: Article 8.11 - Proposals

Upon receipt of a proposal from a member to raise an issue at the annual meeting and a request that a statement in relation to that issue be attached to the notice of meeting, the Board shall, within 10 days of its receipt, meet to consider whether or not the proposal is to be included in the notice of meeting, and, where the Board refuses to include the proposal in the notice of meeting, the Chair of the Board shall notify the member who submitted it of the refusal, and give reasons therefore.

Suspend: Article 7.3 Term of the Chair of the Board

The Chair of the Board shall serve for a one (1) year term. The Chair of the Board may serve for no more than three (3) consecutive terms.



OCCU Board of Directors



Roy Vanderwaak
Chair of the Board
Term Expiry: 2021*



Don Nicholls
Vice Chair of the Board
Policy and By-Law
Planning and Budget
Term Expiry: 2022



Henrietta Berkers
Secretary of the Board
Audit
Term Expiry: 2023



Howard Smith
Chair – Audit
Term Expiry: 2021*



Jackie Moore
Chair – Maintenance
Planning and Budget
Term Expiry: 2022



Correna Blair
Chair – Policy and By-Law
Maintenance
Nominating
Term Expiry: 2023



Dorothy Watson
Policy Committee and By-Law
Audit
Term Expiry: 2021*



Gillis Paterson
Chair – Nominating
Audit
Planning and Budget
Term Expiry: 2022



Cameron Salmers
Chair – Planning and Budget
Maintenance
Nominating
Term Expiry: 2023

Employees of OCCU

John Remillard	General Manager (Privacy Officer and Complaints Officer)
Linda Treen	Administration Manager (Compliance Officer)
Jakob Henninger	I.T. Manager
Greg Greer	Chief Financial Officer
Suzanne Bramham	Retail Credit Manager (Market Code of Conduct Officer)
Sharan Yarrow	Level III
Carolyn Terrion	Level II
Lori Kelly	Level II
Jackie King	Level II
Lori Hunsley	Level II
Sarah Broderick	Level I
Samantha Harrison	Level I
Amy Munro	Level 1



Our friendly staff at Oshawa Community Credit Union. Front row: Lori Hunsley, Linda Treen, John Remillard, Lori Kelly, Samantha Harrison, Amy Munro. Back row: Suzanne Bramham, Carolyn Terrion, Teresa Brudek, Sarah Broderick, Jakob Henninger, Sharan Yarrow, Jackie King.



come in. compare. come out ahead.

NOTES



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