



OSOYOOS
CREDIT UNION
together we're better

2020 ANNUAL GENERAL REPORT

Initially Delivered at Annual General Meeting
Wednesday, May 12, 2021



Celebrating 75 Years



Enjoying the benefits of OCU’s Aura card yet?

If you don’t have a credit card, but want the flexibility of online purchases, Aura is here to help.

Aura™ Loyalty is a reloadable prepaid MasterCard® and financial wellness app which also offers discounts at participating merchants.

The card is issued instantly within the Aura app so you don’t need to wait for your physical plastic before starting to spend.

Simply load your virtual card onto Apple Pay, Samsung Pay, Google Pay or Fitbit Pay and start to spend.

Once your card arrives, you’ll be instantly rewarded at your favourite local stores without needing to join countless loyalty programs.

Your Aura card delivers cashback rewards and promotional offers from local and national brands — all without any fees or surcharges.

Who’s onboard with Aura?

Locally, you can use your card to save at:

- Jojo’s Cafe
- Junction 3 Coffee House
- Tim Hortons
- Osoyoos AG Foods
- Osoyoos Buy-Low Foods
- McDonald’s
- Subway
- A&W
- Osoyoos 7-Eleven
- You can also use it at local Petro Canada, Esso and Shell gas stations.

The card also provides benefits at many other regional grocery stores, Starbucks and even several online shopping websites.

For more information about the Aura card and program, visit ocubc.com/membership-perks-aura-rewards.

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The Annual Report is available on the Osoyoos Credit Union’s website at ocubc.com

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Osoyoos Credit Union is a Living Wage Employer

OSOYOOS CREDIT UNION is proud to announce that we are certified as a Living Wage Employer! A Living Wage Employer is an organization that provides a “living wage rate” to its employees that reflects the “true costs of living in a community and that parents can earn what they need to support their families.”

As Living Wage Employers, we not only meet the requirements of providing a “living wage,” but we also strive to do business with other social enterprises wherever possible to help reduce poverty in our communities.

In 2020, OCU paid out \$1,612,222 in employee salaries and benefits, income that for the most part was invested back into the community.

That was an increase of \$43,492 from 2019.



75 Years

OCU celebrates a diamond jubilee

THAT'S RIGHT, Osoyoos Credit Union has served its members since January 1946.

From very humble beginnings — just 18 people attended the inaugural annual general meeting — Osoyoos Credit Union (OCU) has grown to become a strong financial organization and gained a reputation as a leader in the community.

In fact, OCU is the only locally owned and operated financial institution in the South Okanagan and West Boundary, where a second branch was opened in 2019.

But just like back in 1946, members still look to OCU for superior service and competitive financial products, knowing they have a direct voice in our future.

Throughout its history, the organization has contributed to the development of its

members and the community of Osoyoos as a whole.

Its catchphrase *Together We're Better* is actually much more than just a tagline. It's a rallying cry that expresses the co-operative spirit between members, board, staff and community.

OCU is a community-based, member-owned and governed organization and as such proudly supports many community activities, either through direct participation or donations.

Our customers are members; they are shareholders and each has an equal vote on rules and in the selection of directors from within their own ranks.

So, what's ahead as OCU moves into a second 75 years?

In keeping with the growth of the community and its financial and service

needs, OCU is constantly changing and improving.

Today, with up-to-the-minute systems throughout the credit union, including the OCU Wealth Management division, OCU can assure full service of all its member's financial needs.

You'll see more of that improvement over the next few months as OCU makes a significant infrastructure investment modernizing accounting software and online banking access.

With the continued support of our members, OCU will continue to prosper and excel well into the future.

If you're already an OCU member, thank you. If not, please join us and let us help you with all your financial needs.

CEO's Report to the Membership



IN THE CRUSH of white noise that is the current pandemic, you might have missed that Osoyoos Credit Union is celebrating a diamond jubilee: 75 years of providing financial services to the Osoyoos community.

The credit union opened its doors in January 1946. Our first annual general meeting held about a month later involved just 18 people.

So much has changed since then — and yet there's an awful lot that hasn't changed at all.

Osoyoos Credit Union is still the financial institution of choice in the Osoyoos area, still providing secure and rewarding care for member deposits and still building opportunity for personal and business clients with financing offered at competitive rates.

Perhaps the most significant and enduring standard rooted in the credit union's early days, though, is our commitment to community. Because of our local ownership and operation, all of our decisions are still made in Osoyoos — and only made with the best interests of our members and the community in mind.

We came into 2020 — our 74th year of operation — knowing it would be a year of change. We set our sights high with an expansion in Rock Creek, the refining of core technology and processes and expanding community-support programming.

And then our primary objective was quickly recast: keeping staff, members and our community safe while being available to support the increased financial needs of our membership.

How OCU management and staff — and our members — pivoted from normal operations to a mostly virtual environment is the truest testament to the core values and the foundation established in 1946 and the collective resilience and mettle molded over the following 75 years.

OCU staff and members have been nothing short of amazing with their flexibility and adaptation to pandemic conditions. Transactions were arranged and resolved over the phone, by email and even text messaging.

At times, the paperwork was completed over the hood of a car in a driveway.

I am proud to report we have never turned away clients nor laid off staff through the pandemic. Even when the branch physically was closed for two days in November, staff were working and available in home offices and remote locations.

OCU Leadership Through the Years

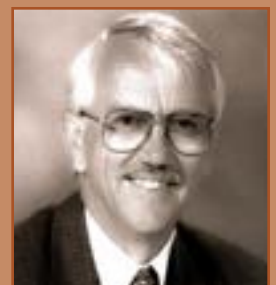


Bill Collins

2004 - 2015

Ronald Robinson

1982 - 2004





“ In the coming years, and perhaps well into the future, we’ll look back at 2020 as a spark that allowed us to amplify our core values of Community, Professionalism, Accountability and Independence.”

I could talk for days of the service, compassion and creativity of OCU staff and how it constantly astounded me.

In the coming years, and perhaps well into the future, we’ll look back at 2020 as a spark that allowed us to amplify our core values of Community, Professionalism, Accountability and Independence.

We expanded our Community Giving program to \$75,000 and also added an additional grant application on June 30 to our normal March 31 and October 31 intakes. We continued four academic scholarships and bursaries in 2020 and were pleased to give out \$5,500 to deserving college and university students.

In 2020, we launched our Shop Local initiative and introduced a new debit card tool to bolster the local economy. We anticipate expanding this initiative in 2021 as more users take advantage of the program’s benefits.

This was a banner year for OCU in terms of asset growth. Staff were able to support our members more than ever before albeit in a very different way.

We were able to fund more than \$3 million to support local business through the federal CEBA program.

We are also proud to have supported more than 40 families with payment deferrals to ensure their payments never got behind.

In exchange the community supported us as our professional staff were able to fund so many new home purchases and businesses expanding and pivoting to a new normal.

Much of what we have committed to doing will bear fruit later in 2021 but will also ensure our relevance well into the future.

The last year hasn’t been without its challenges. I don’t think anyone saw the speed nor amplitude of interest rates falling as the pandemic took hold, but that’s exactly what occurred.

Largely because of our commitment to improved technology, but

also due to other factors, the OCU board reluctantly determined to suspend payout of our traditional patronage program and instead use those funds to invest in product and service delivery.

I’m a strong believer that adversity brings opportunity and certainly as we look forward to 2021, conditions are providing us with initiative to improve and expand our service delivery.

For example, the pandemic has resulted in a massive shift to the use of new technology and the additional functionality demanded by users. OCU is responding with a significant infrastructure investment; in 2021, we are committed to modernizing our accounting software and online banking access.

Also In 2021, we’ll continue to expand our collaborative efforts in Rock Creek and build on that pilot with an eye to providing similar services in other local communities.

And, yes, we are planning to celebrate our 75th anniversary. Our team has talked at length about what to do to mark this milestone — and how to accomplish it.

As restrictions are reduced and opportunities to gather increase, watch for us in the community.

I know I can speak for everyone on the OCU team — from our board to management to staff — when I say we miss your faces and all the personal interactions we enjoy with you.

Finally, I have to express my gratitude to everyone who has played a role in OCU’s success over the last year.

Thank you to all OCU board and staff members for your patience with the constant changes necessary during the pandemic and commitment to our business processes.

Thank you to all our members and clients for your support and understanding and for helping us through an amazing year in terms of growth. Your support is a testament to the trust we have developed with you.

Together we are truly better.

*Greg Sol
Chief Executive Officer*



Robert Vincent
1968 - 1982

J.J. Mittermaier
1956 - 1968



1946 to 1956

Various managers and treasurers provided leadership to OCU between 1946 and 1956.

Regrettably, their names are not readily available.

Board of Directors

Director Attendance Meetings — 2020

Alan Bajkov

Hours in meetings: 45.5

Committee Assignments: Credit, Governance, Human Resources, Investment Lending, Peer Group

Pat Wycherley

Hours in meetings: 37

Committee Assignments: Audit, Conduct Review, Credit, Governance, Human Resources

Leo Callarec

Hours in meetings: 35.5

Committee Assignments: Audit, Community Giving, Credit, Governance, Investment Lending

Richard Douziech

Hours in meetings: 25

Committee Assignments: Audit, Community Giving, Governance, Investment Lending

Kathryn Gudewill

Hours in meetings: 41.5

Committee Assignments: Audit, Credit, Human Resources, Investment Lending, Strategic Planning

Zachary Poturica

Hours in meetings: 40.5

Committee Assignments: Audit, Conduct Review, Credit, Peer Group

Althea Raum

Hours in meetings: 26

Committee Assignments: Audit, Community Giving, Conduct Review,

Diane Thomas

Hours in meetings: 39

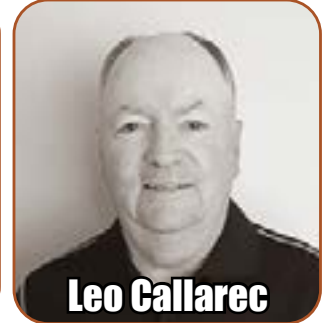
Committee Assignments: Audit, Credit, Human Resources, Investment Lending



Alan Bajkov



Pat Wycherley



Leo Callarec



Richard Douziech



Kathryn Gudewill



Zachary Poturica



Althea Raum



Diane Thomas

OCU in the Community

Commitment begins at the top

Osoyoos Credit Union is governed by a volunteer board of directors elected by membership. Directors are engaged in general and specific duties, including attending regular board meetings and more occasional committee meetings.

Directors serve on a number of committees, including Audit, Community Giving, Conduct Review, Credit, Governance, Human Resources, Investment Lending and Peer Group.

With an emphasis on the local economy, our directors strive to represent those who elected them by meeting members' needs through the friendly and local resources an independent credit union can provide.

In 2020, despite sessions held via online services, all directors attended the Osoyoos Credit Union's Annual General Meeting and a strategic planning session.

In 2020, OCU's Directors received a combined \$34,608 in compensation.



Director Attendance

	Annual General Meeting	Board of Directors	Strategic Planning	Audit	Community Giving	Conduct Review	Credit	Governance	Human Resources	Investment Lending	Peer Group	
Pat Wycherley	<input checked="" type="checkbox"/>	10	<input checked="" type="checkbox"/>	1		1	2	1	4			37 hours
Alan Bajkov	<input checked="" type="checkbox"/>	10	<input checked="" type="checkbox"/>				1	1	1	1	2	45.5 hours
Leo Callarec	<input checked="" type="checkbox"/>	9	<input checked="" type="checkbox"/>	1	1		1	1		3		35.5 hours
Richard Douziech	<input checked="" type="checkbox"/>	9		1	3			1		1		25 hours
Kathryn Gudewill	<input checked="" type="checkbox"/>	10	<input checked="" type="checkbox"/>	2			2		4	4		41.5 hours
Zachary Poturica	<input checked="" type="checkbox"/>	10	<input checked="" type="checkbox"/>	2		2	4				1	40.5 hours
Althea Raum	<input checked="" type="checkbox"/>	7	<input checked="" type="checkbox"/>	1	1	1						26 hours
Diana Thomas	<input checked="" type="checkbox"/>	10	<input checked="" type="checkbox"/>				1		3	3		39 hours

Notations under Committee assignments represent number of meetings attended, not hours spent in meetings.

TO THE MEMBERS OF OSOYOOS CREDIT UNION:

MANAGEMENT is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements.

This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees

of the Credit Union.

The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report.

The Audit Committee has the responsibility of meeting with management, internal auditors, and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues.

The Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows.

The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

MNP LLP

March 4, 2021



Community Giving Fund



OSOYOOS CREDIT UNION has an exciting way to celebrate 75 years — increasing its annual Community Giving Fund to \$75,000.

The fund traditionally awards \$50,000 in the form of grants to support local non-profit organizations and community groups with projects and initiatives that contribute to local economic revitalization and access and inclusion.

Economic revitalization refers to a broad range of activities, programs and initiatives of community-based organizations, government and business that are designed to improve the economic well-being of individuals and communities.

Examples include poverty reduction; housing; organizational and community capacity building; and social enterprise (non-profit organizations operating a business).

Access and inclusion grant funding supports activities, programs and initiatives that increase access to social, economic and cultural opportunities that contribute to the ability of individuals and communities to fully participate in the local economy and enhance quality of life.

Examples include arts and culture, recreation programs, and employment training.

Funding applications are adjudicated by staff and reviewed by the Community Giving Committee three times per year in March, June and September.

Preference is given to organizations that are members of Osoyoos Credit Union.

Local Organizations and Community Groups must demonstrate clear alignment with Osoyoos Credit Union's Community Giving Policies areas of focus.

The Credit Union also looks at a number of factors when considering grant applications, including

- Organizational capacity to complete the project.
- That the project/program benefits the communities the Credit Union serves (Osoyoos, Rock Creek, and Oliver).
- That achievable, measurable outcomes are identified.
- That the group recognizes and supports the diversity of individuals, groups and communities.
- That the group encourages innovation through new approaches, new models, and new ways of making change for individuals in the community.
- That the group promotes collaboration and partnerships through mobilizing and facilitating individuals, groups, and communities to work together towards sustainable economics.
- That the group can leverage additional funding opportunities and community resources.

For more information about the fund, or to apply on behalf of your organization, visit ocubc.com/community/community-giving-fund.

2020: Building our community

Community Giving Fund recipients

- Osoyoos Food Bank
- Kettle River Food Share Program
- Desert Valley Hospice
- Desert Sun Counselling
- Osoyoos Desert Society
- Osoyoos Secondary School
- People in Motion
- Osoyoos Kiwanis Club

Other community support

- In January, supported the South Okanagan Minor Hockey Association as it hosted a Bantam-aged tournament in Osoyoos and Oliver;
- Provided support for the Osoyoos Secondary School's Drama Club by providing wine for a wine tower fundraiser;
- Assisted H&R Block with a grand opening;
- Provided support for the Kettle Wildlife Association to hold an annual dinner fundraiser in late March.

In 2021, as part of its first round of community giving, OCU is providing support to the following not-for-profit organizations:

- Osoyoos Secondary School
- Osoyoos Lawn Bowling Club
- Osoyoos Seniors Centre Association
- School after School Society
- West Boundary Community Services Cooperative Association
- Osoyoos Museum Society
- Rotary Club of Osoyoos
- Osoyoos & District Arts Council
- Trails to the Boundary

Business Analysis



HIGHLIGHTS



ALTHOUGH financial institutions provide information in table format, the numbers do not always deliver the full story of an organization’s performance.

This business analysis is a supplement to the provided financial statements, offering an improved view of Osoyoos Credit Union’s performance in 2020 and additional explanation where warranted.

At the beginning of 2020, the Credit Union adopted amendments to a number of International Financial Reporting Standards (IFRS) amendments that although had no effect on the Credit Union’s financial statements did impact how some measurements were reported.

They included:

- Business combinations;
- Fair value measurement;
- Property, plant and equipment;
- Intangible assets;
- Financial instruments: recognition and measurement; and,
- Investment property

As a result of COVID-19, there is a higher degree of uncertainty in determining reasonable and supportable forward-looking information used in assessing significant increase in credit risk and measuring expected credit losses.

The impact of the pandemic on the long-term outlook remains fluid and uncertain, and forward looking information has been updated to the best of the Credit Union’s knowledge based on external economic data.

The current environment is subject to rapid change and to the extent that certain effects of COVID-19 are not fully incorporated into the model calculations, increased temporary quantitative and qualitative adjustments have been considered and applied where necessary.

This includes borrower credit scores,

industry and geography specific COVID-19 impacts, payment support initiatives introduced by the Credit Union, the governments, and the persistence of the economic shutdown, the effects of which are not yet fully reflected in the quantitative models.

The Credit Union has performed certain additional qualitative portfolio and loan level assessment if significant changes in credit risk were identified.

Financial Performance

The Credit Union’s total assets increased substantially to \$168,208,666 in 2020, up from \$146,532,155 — almost \$22 million — from 2019.

Cash Position

The Credit Union’s cash position — defined as cash on hand, deposits with Central 1 Credit Union Ltd. and balances held within investment portfolios — more than doubled in 2020, to \$11,499,046 from \$5,245,911 in 2019.

Member Loans

The Credit Union introduced relief programs during the year that allowed borrowers to temporarily defer payments of principal on their loans.

The payment deferral program does not in and of itself trigger a significant increase in credit risk since initial recognition and does not result in additional days past due.

Outstanding member loans increased in 2020, with commercial and residential mortgages and commercial and consumer loans all up significantly to more than \$97 million from \$85 million the previous year.

Despite allowing members to defer payments, the Credit Union generated \$3,282,986 in interest received from member loans, up slightly from \$3,118,972 in 2019.

75

Number of Years

OCU has operated in Osoyoos

4,169

Number of Members

in 2020

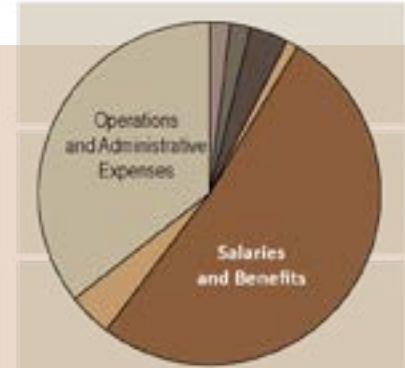
\$156.3m

Member Deposits

in 2020



Business Analysis



OPERATING EXPENSES

Member Deposits

The Credit Union’s reputation as a secure and trustworthy institution was manifested in a marked increase in member deposits in 2020. Anchored by a substantial increase in demand deposits — up to \$76,545,863 from \$63,187,622 in 2019 — member deposits increased to \$156,281,074.

The net change in member deposits was \$21,155,169 in 2020. That is an increase of over 400% from \$4,180,141 in 2019.

Operating Expenses

The Credit Union’s operating expenses in 2020 decreased about \$203,000 from 2019.

The Credit Union paid \$3,034,661 in operating expenses in 2020, including \$1,612,222 in salaries and benefits.

OCU’s administrative expenses totaled \$1,103,727 in 2020, marginally higher than \$1,074,400 in 2019.

A Board decision to suspend the Credit Union’s annual patronage distribution and instead use those funds to invest in product and service delivery resulted in a recovery of \$86,460 for the Credit Union.

Net Income

Net income for 2020 totaled \$647,398, up 148% from \$261,261 in 2019 and 100% from \$323,003 in 2018.

The Credit Union will pay \$76,355 in income taxes for 2020, including \$17,094 that is deferred.

Commitments

The Credit Union has a commitment to acquire on-line data processing services through Open Solutions Canada that expires in December 2021.

The fixed annual payments for core contracted services is \$61,160 plus a variable charge based on use. The total charge for 2020 was \$289,783. The charge in 2019 was \$265,953).

The Credit Union has a commitment to lease equipment and have IT services provided to it through F12.net that expires in November 2022.

There are no fixed payments for this contract, and variable charges are based on the amount of equipment leased and the amount of IT support provided.

The total charge for 2020 was \$109,298. In 2019, the total charge was \$39,072.

Term Deposits	
Due by Mar. 31, 2021	4,401,437
Due April 1 - Dec 31, 2021	3,383,960
Due on or after January 1, 2022	10,860,911
Accrued Interest	117,637
Total	18,763,945

Portfolio Investments	
Commercial Bonds	34,080,017
Accrued Interest	178,202
Total	34,258,219

Equity Instruments	
Central I Shares (Class A)	48,956
Central I Shares (Class E)	35
Central I Shares (Class F)	507,343
Stabilization Credit Union Shares	141
CUPP Services Ltd.	43,194
Truvera Mortgage Investment	2,021,000
West Boundary Community Services	1,000
Total	2,621,669

\$15,730

Amount Paid in Patronage and Dividends in 2020

\$168.2m

Osoyoos Credit Union Assets in 2020

\$647,398

Net Income in 2020

Auditor's Report



TO THE MEMBERS OF OSOYOOS CREDIT UNION:

Opinion

We have audited the financial statements of Osyoos Credit Union (the "Credit Union"), which comprise the statement of financial position as at December 31, 2020, and the statements of comprehensive income, changes in members' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kelowna, British Columbia
March 4, 2021

MNP LLP

Chartered Professional Accountants



Financial Position

Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	3,282,986	3,118,972
Interest and dividends received from investments	1,374,193	1,868,028
Fees, commissions and miscellaneous income received	766,859	404,512
Cash paid to suppliers and employees	(2,922,541)	(2,709,483)
Interest paid on deposits	(1,550,388)	(1,294,417)
Patronage and dividends paid	(15,730)	(185,457)
Income taxes paid	(52,950)	(126,107)
	882,429	1,076,048
Financing activities		
Net change in member deposits	21,155,169	4,180,141
Net change in member shares	(86,435)	(121,610)
	21,068,734	4,058,531
Investing activities		
Net change in members' loans receivable	(12,834,101)	(11,018,644)
Advances to related party	-	(70,000)
Purchases of investments	(2,680,153)	-
Proceeds on disposal of investments	-	3,430,032
Purchases of property, plant and equipment	(110,566)	(20,969)
Purchases of intangible assets	(73,208)	(5,000)
	(15,698,028)	(7,684,581)
Increase (decrease) in cash resources	6,253,135	(2,550,002)
Cash resources, beginning of year	5,245,911	7,795,913
Cash resources, end of year	11,499,046	5,245,911

Statement of Changes in Members' Equity

For the year ended December 31, 2020

	Member shares	Retained earnings	Total equity
Balance December 31, 2018	238,277	9,030,382	9,268,659
Comprehensive income	-	261,261	261,261
Distribution to members	-	(2,851)	(2,851)
Net change in member shares	(13,534)	-	(13,534)
Balance December 31, 2019	224,743	9,288,792	9,513,535
Comprehensive income	-	647,398	647,398
Net change in member shares	(66,219)	-	(66,219)
Balance December 31, 2020	158,524	9,936,190	10,094,714

Notes included in the Independent Auditor's Report — not attached to this document — are an integral part of these financial statements.



Credit facilities

The Credit Union has available to it, through Central 1, a \$750,000 CAD and \$250,000 USD demand operating line of credit secured by a demand debenture and the general assignment of book debts.

The outstanding balance at December 31, 2020 was nil.

The Credit Union had the following member deposits at end of year:

	2020	2019
Demand Deposits	76,545,863	63,187,622
Term Deposits	51,792,020	47,207,546
Registered Plans	27,092,822	23,878,938
Dormant Accounts	28,421	29,851
Non-equity Shares	32,524	32,524
Accrued Interest	789,424	720,595

Financial Position



Osoyoos Credit Union Statement of Financial Position

As of December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Cash	11,499,046	5,245,911
Investments (Note 5)	55,678,833	53,071,502
Members' loans receivable (Note 15)	97,697,760	84,869,589
Income taxes recoverable (Note 6)	3,295	9,606
Advances to related party	70,000	70,000
Property, plant and equipment (Note 7)	2,588,986	2,585,381
Intangible assets (Note 8)	127,056	120,115
Other assets (Note 9)	127,020	136,405
Investment property (Note 10)	416,670	423,646
	168,208,666	146,532,155
Liabilities		
Member deposits (Note 11)	156,281,074	135,057,076
Other liabilities	517,282	508,285
Derivative financial instruments	-	32,350
Deferred tax liabilities (Note 6)	93,352	76,258
Patronage dividends payable (Note 12)	6,795	106,135
Member shares (Note 12)	1,215,449	1,238,516
	158,113,952	137,018,620
Commitments (Note 16)		
Events after the reporting period (Note 20)		
Members' equity		
Member shares (Note 12)	158,524	224,743
Retained earnings	9,936,190	9,288,792
	10,094,714	9,513,535
	168,208,666	146,532,155

Osoyoos Credit Union is incorporated under the Credit Union Incorporation Act of British Columbia and is a member of Central 1 Credit Union Limited ("Central 1").

The Credit Union operates as one operating segment in the loans and deposit taking industry in British Columbia. Products and services offered to its members include deposit products, loan products and registered investment products.

The financial statements have been prepared in accordance with all International Accounting Standards Board issued and in effect as at December 31, 2020.


These financial statements have been approved and authorized by the Board of Directors on March 4, 2021. They are prepared under the historical cost convention, except for the revaluation of certain financial instruments.

These financial statements are presented in Canadian dollars, which is the Credit Union's functional currency.

The Credit Union adopted amendments to the following standards, effective January 1, 2020. Adoption of these amendments had no effect on the Credit Union's financial statements:

- IFRS 3 Business combinations
- IFRS 13 Fair value measurement
- IAS 16 Property, plant and equipment
- IAS 38 Intangible assets
- IAS 39 Financial instruments: recognition and measurement
- IAS 40 Investment property

Approved on behalf of the Board

DocuSigned by:

 Director

DocuSigned by:

 Director

Notes included in the Independent Auditor's Report — not attached to this document — are an integral part of these financial statements.



Financial Position

Statement of Comprehensive Income

For the year ended December 31, 2020

	2020	2019
Interest revenue		
Interest on member loans	3,302,038	3,078,911
Interest on investments and deposits	1,329,843	1,812,203
	4,631,881	4,891,114
Interest expense		
Interest on member deposits	1,647,693	1,691,288
Net interest income	2,984,188	3,194,755
Impairment losses on member loans (Note 16)	24,982	4,319
Financial margin	2,959,206	3,194,775
Other income	561,858	461,215
	3,521,064	3,651,671
Operating expenses		
Amortization of intangible assets (Note 8)	65,068	61,740
Deposit insurance	61,733	149,759
Depreciation of property, plant and equipment (Notes 7 and 10)	115,136	123,474
Director and committee expense	34,608	41,700
Distribution to members (Note 13)	(86,460)	103,284
Employee salaries and benefits	1,612,222	1,568,730
Occupancy and equipment	128,627	114,023
Operating and administrative expense (Note 14)	1,103,727	1,074,400
	3,034,661	3,237,110
Operating income	486,403	414,561
Other income (expense)		
Gain (loss) arising on fair value of derivative financial instrument	237,350	(32,350)
Impairment loss on property, plant and equipment and intangible assets	-	(34,175)
Income before income taxes	723,753	348,036
Provision for (recovery of) income taxes (Note 6)		
Current	59,261	66,494
Deferred	17,094	20,281
	76,355	86,775
Comprehensive income for the year	647,398	261,261

Capital Management

In managing its capital, the Credit Union's primary objective is to ensure it maintains adequate liquidity to meet its financial obligations, make necessary capital purchases and support ongoing business.

The Credit Union monitors and assesses its financial performance to ensure it is meeting its objectives.

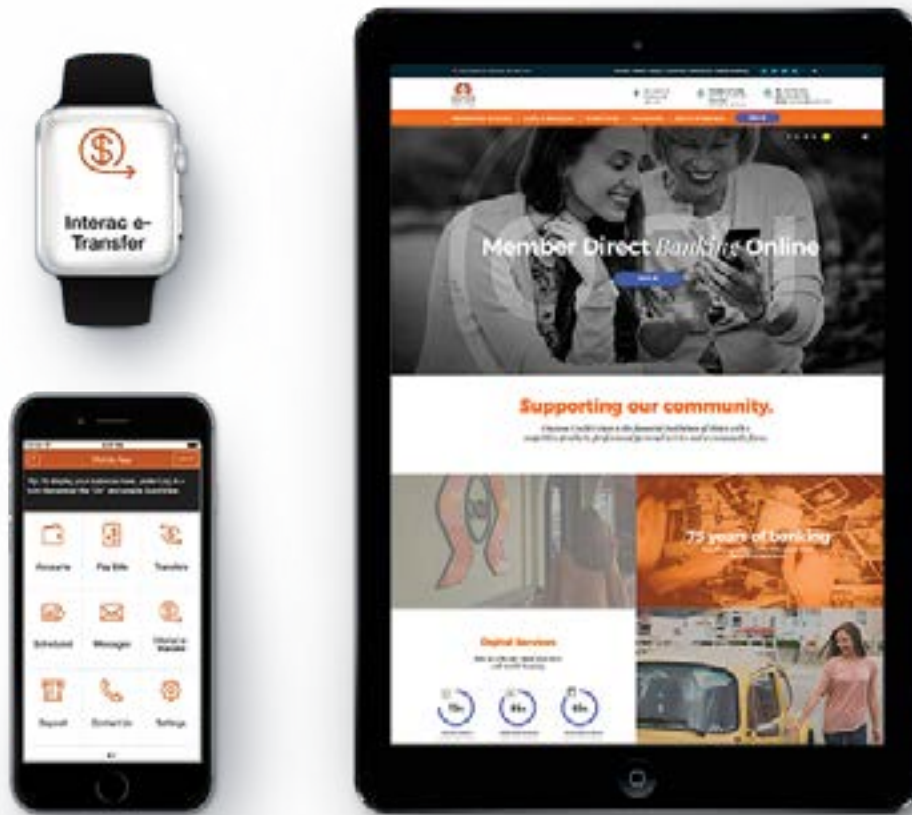
The Financial Institutions Act (British Columbia) requires the Credit Union to maintain, at all times, a capital base which is adequate in relation to the business carried on.

The level of capital required is based on a prescribed percentage of the total value of risk weighted assets, each asset of the Credit Union being assigned a risk factor based on the probability that a loss may be incurred on the ultimate realization of that asset.

The Credit Union considers its capital to include membership shares (member shares and investment shares), and undivided earnings.

There have been no changes in what the Credit Union considers to be capital since the previous period.

Notes included in the Independent Auditor's Report — not attached to this document — are an integral part of these financial statements.



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Our Vision

**We are the heart of Co-operative Finance,
creating enduring legacies.**

Our Mission

**We are the heart of Co-operative Finance,
creating enduring legacies and fulfilling dreams through accountability,
professionalism, independence, and community spirit.**