



2023 Annual Report

Life Forward



OUR PURPOSE

Advancing the lives of the people and communities we serve.



OUR VISION

Our goal to prioritize the well-being of our members and the communities we serve. This commitment stems from our **co-operative principles and values**, which place our members at the forefront of all our actions. We strive to deeply understand our members, offering them reliable guidance and convenient solutions. Acting in everyone's best interest, we foster a culture of collaboration and teamwork.

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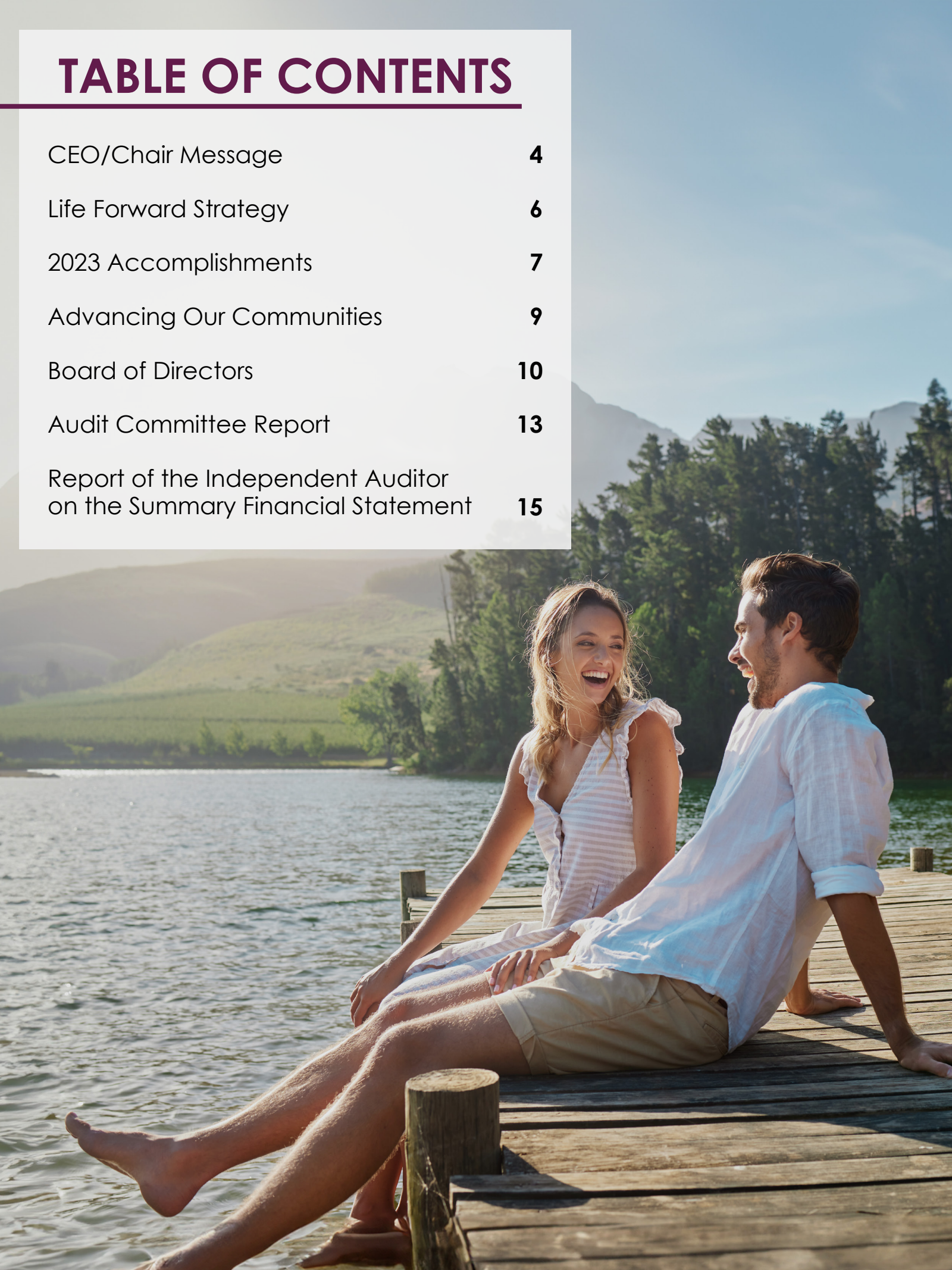
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CEO/CHAIR MESSAGE

Invested in our members. 2023 saw lingering challenges from previous years. We saw inflation continue to climb resulting in interest rate hikes, placing additional burdens on our members and businesses. In times of significant change, our members rely on us to guide them through their financial journeys and help them achieve their goals. We take great pride in working hard to earn the trust of our members to help navigate these fundamental changes around them. As a testament to our commitment to exceptional member experiences, Copperfin was honored as one of North America's top credit unions, specifically recognized for our outstanding mortgage experience.

Invested in our teams. We continue to invest in our team members to attract, retain, and develop the best talent to grow with us. We recognize the crucial role our team members play by delivering exceptional member service and living out our Life Forward values. We remain committed to investing in the growth and success of our teams and fostering a highly engaged workplace.

Invested in our communities. We prioritized the enhancement of our communities, making it a central aspect of our mission. Our focus has been on promoting social wellness, environmental sustainability, and supporting local/member businesses in our communities. Reflecting our cooperative values, following yet another successful year, we were thrilled to share in that success by making an additional donation of \$75,000 toward food security initiatives in our communities.

Invested in the future. As we look ahead, we are focused on our commitment to our partnership with Northern Credit Union to build a stronger, more resilient credit union that thrives in the face of challenges and creates new opportunities for our members, team members, and communities. By joining forces through this merger, we will combine the strengths of two exceptional credit unions, enabling us to develop a strategic vision, enhance our skill sets, and increase our capacity to make a lasting impact on our members and team members. Throughout this process, our dedication to improving the lives of the people and communities we serve remains unchanged.

Additionally, this merger will ensure our long-term sustainability, granting us the resources to invest in technology, effectively address regulatory requirements, serve larger businesses, and have a more influential voice within the Ontario and Canadian national credit union systems.

On behalf of Copperfin, thank you to our members and team members for your unwavering trust and commitment. Your support allows us to invest in our members' financial well-being and our teams' growth. As we look ahead, we remain dedicated to delivering value and exceptional service to our members.

Thank you for your continued trust in Copperfin.



A handwritten signature in black ink, appearing to read 'D. Alvestad', written over a horizontal line.

DENNIS ALVESTAD
CEO



A handwritten signature in black ink, appearing to read 'R. Jankovic', written over a horizontal line.

ROBERT JANKOVIC
CHAIR

LIFE FORWARD STRATEGY

In pursuit of our vision, Copperfin recognizes the significance of differentiating ourselves through highly personalized service that revolves around proactive advice and member intimacy. Member centricity allows us to focus our efforts on delivering exceptional value and meeting the unique needs of our members. By prioritizing personalized service and building strong, lasting relationships, we are well-positioned to fulfill our vision and drive success in the long term.

To effectively implement our strategy, we have identified three key focus areas that require continuous development: *Member Knowledge*, *Trusted Advisors*, and *Convenient Solutions*.

Member Knowledge

By continuously deepening our understanding of our members, we will have better insights to predict your needs. This will enable us to proactively offer the right advice, solutions, and products to move members' financial lives forward.

Trusted Advisors

By proactively receiving guidance and advice, members can confidently navigate their financial lives with peace of mind. They will establish a strong preference for contacting Copperfin first for any changes or questions related to their financial lives.

Convenient Solutions

We will provide access to information, support, advice, and solutions, ensuring a hassle-free experience for our members. We recognize the need to continuously adapt and evolve our offerings to meet their ever-changing expectations.



**Overall
Satisfaction:
89%**



**Overall
Trust:
83%**



**Overall
Convenience:
86%**

2023 ACCOMPLISHMENTS

We are committed to prioritizing our members' needs and providing them with exceptional financial services that cater to their evolving requirements. The year 2023 marked a significant milestone as we began a partnership journey with Northern Credit Union, strengthening our commitment to serving our members better. During this period, we undertook a few initiatives aimed at enhancing members' convenience when dealing with us.

CEBA Loan Refinancing Program

To ensure that our business members have convenient access to financing alternatives, we successfully implemented the CEBA Loan Refinancing program. Through this initiative, we established a secure and predictable fixed-rate financing option for our members who had obtained loans under the Canada Emergency Business Account (CEBA) program. This program provides our members with ample time to repay their loans, offering them greater flexibility and peace of mind.

First Home Savings Account

To improve the financial well-being of our members we implemented the First Home Savings Account (FHSA) that supports them in the process of buying their first home. We were one of the first credit unions in Ontario to offer our members this product, which confirms our dedication to supporting our members financial well-being and helping them achieve the dream of homeownership.

e-Transfer for Business

Copperfin successfully implemented the Interac e-Transfer for Business 'Receive' functionality in 2023. This upgrade ensures that we remain in line with the Payment Modernization roadmap set forth by Payments Canada. As the industry moves towards the eventual objective of achieving real-time secure payments nationwide, we are committed to keeping pace with this change. We will continue to proactively assess and incorporate enhancements as they arise in the coming years.



New Appraisal System

Implemented a valuation tool for property value assessments to improve the member experience through streamlining and enhancing the accuracy of the valuation process, saving members time and money. This tool leverages market data and appraiser expertise to deliver cost savings, improved turnaround time.



Member Survey Results

2023 marked a significant improvement in members' overall satisfaction with their experiences at Copperfin. A larger proportion of members expressed high levels of satisfaction, demonstrating a notable increase from previous years. Importantly, key member segments also reported considerably higher satisfaction levels during this period. Convenience ratings for experienced a significant surge across all member categories since 2022, indicating that our efforts to enhance accessibility and convenience have resonated positively with our members.

Additionally, trust among our members has increased compared to 2022, exemplifying the strengthened confidence and belief in Copperfin. These achievements validate our commitment to continuously improve member experiences and further our reputation as a trusted financial partner.

Engaged Team

At Copperfin, our efforts are to cultivate a high-performing, inclusive, and dynamic team. Throughout the year, surveys consistently demonstrated our team's confidence in our ability to adapt to change effectively, maintain strong relationships among team members, and remain dedicated to the overall success of Copperfin. These findings reflect our unwavering commitment to fostering a positive and collaborative work environment that drives growth and innovation. By focusing on these key areas, we continue to build a team that is adaptable, cohesive, and collectively aligned with our organizational goals.



Collabria CardWise

We transitioned to a new digital credit card experience, providing cardholders with a convenient and seamless way to access the benefits and value of their cards. Through this upgraded platform, cardholders now have the power to control their accounts and manage their financial well-being from beginning to end. This empowering feature ensures that cardholders can easily monitor their spending, make timely payments, and optimize the potential of their credit cards, all within a user-friendly digital environment.

ADVANCING OUR COMMUNITIES

When our communities thrive, we all reap the benefits. Through volunteerism, donations, and partnerships, we are dedicated to improving the well-being of our communities. As valued members, your input helps shape our priority pillars, which include:



Social Wellness
\$65,996



**Local Businesses/
Member**
\$40,196



**Environmental
Sustainability**
\$8,071



Other
\$10,737

Overall Total: \$200,000

Fighting Food Insecurity

\$75,000

In recognition of the critical importance of food security and sharing in our successes in 2023, we collaborated with our members to enhance our collective efforts in combating food insecurity within our communities with an additional year end donation.



BOARD OF DIRECTORS

The Committee is responsible for the governance accountability report for inclusion in the Credit Union's 2023 annual report.

Copperfin's Board of Directors:

- Is committed to the highest standard of corporate governance;
- Represents the interest of all Copperfin Credit Union Stakeholders; and
- Plays a vital role in Copperfin's success by providing strategic direction.

Board Composition and Election

The Board is comprised of 9 Directors, elected in a democratic system. Directors are normally elected or acclaimed for a three-year term with a maximum of four consecutive terms.

The Governance Committee annually undertakes a gap analysis of the Board to identify skills, knowledge, and experience gaps. The Nominating Committee develops a pool of potential candidates with the intention of bringing in qualified candidates to address gaps within our Board.

A comprehensive evaluation of each candidate is completed, the Board endorses qualified candidates, and the election opens for member voting.

Strategic Planning

The Board of Directors typically convene a spring and fall planning session to review and approve the strategic direction of the Credit Union. Subsequent to the fall planning session the Board approves the resulting annual financial plan and corporate scorecard.

Our fall session in 2023 looked a bit different, with merger discussions taking place at the time, our Board used this opportunity to connect with Management and discuss the future opportunities for our Credit Union.

Diversity, Equity, and Inclusion

The Board of Directors recognizes the benefits of Board diversity and aims to maintain a Board comprised of talented and dedicated directors with a diverse mixture of experience, skills, and backgrounds reflective of Copperfin's membership and communities. The Board has implemented a diversity policy which is reviewed and updated biennially. In 2023 our Board was comprised of 33% female and 67% male directors.

Board Development

The Governance Committee evaluates director training opportunities to ensure programs offer a broad spectrum of insights into corporate governance best practices.

- All directors are required to complete the CuSource Credit Union Director Achievement program. In addition, advanced education opportunities are available through the Institute of Corporate Directors and Directors College. As of December 31, 2023, seven directors have completed the CuSource program.
- The Board has an approved budget that supports individual director training, sessions for the full board and director conference attendance.
- In 2023 nearly 400 hours were spent on training, an average of 44 hours per director.
- As part of director development, the Governance Committee offers an orientation program designed to quickly familiarize new directors with the business and strategy.

Board Committees

The Board delegates its powers and authorities from time to time, as permitted by the Credit Union and Caisses Populaires Act and Regulations, to ensure efficiency and that specific areas are handled with applicable expertise. Three standing committees, with the following primary accountabilities are as follows:

Audit Committee

- Oversight of operational risk, enterprise risk management framework and policy, securitization framework and policy, risk governance policies, financial reporting, and external and internal audit.
- Monitor and oversee level of market and credit risk categories, liquidity, structural risk, capital adequacy and related governance policies.

Member and Community Relations Committee

- Nomination and elections including director recruitment, election process, maximize member participation, and regulatory requirements,
- Oversight of community investment, member complaints, policy, and trends,

Governance, Ethics, and Human Resources Policy Committee

- Evolve governance practices, structure, and policies.
- Director orientation, development, director compensation, and board and director performance.
- Governance policies on employment principles and compensation philosophy.
- Restricted party transactions and related policy.

Director Annual Retainer

Copperfin's Governance, Ethics, and Human Resources Committee is responsible to recommend director compensation. The annual retainer for 2023 was:

Board Chair
\$10,007.00

Vice Chair
\$7,693.00

Committee Chairs
\$7,693.00

Director
\$6,462.00

Director Committee(s)	Board & Committee Meeting Attendance
Beach, Erin, Director Audit Committee	89%
Brookes, Tina, Director Governance, Ethics and HR Policy Committee	96%
Carfagnini, Tony, Director Governance, Ethics & HR Policy Committee Member & Community Relations Committee	81%
German, Colt, Committee Chair Audit Committee	100%
Jankovic, Robert, Board Chair Member & Community Relations Committee	96%
McCutchon, Janet, Committee Chair Member & Community Relations	100%
Penfold, Brandon, Director Governance, Ethics & HR Policy Committee	85%
Squissato, Kevin, Vice Chair/Committee Chair Governance, Ethics and HR Policy Committee	93%
Thorne, Chris, Director Audit Committee	96%

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors fulfills the responsibilities of the Audit Committee as set out in the Credit Unions and Caisses Populaires Act 2020 (Ontario) (the "Act") and conducts its affairs in accordance with the requirements of Section 104 of the Act and Committee Terms of Reference. The committee which consists of four directors, has a mandate to cover all duties, which are specified to be performed by Audit Committees in the Act and accompanying Regulations.

We would like to report that we have reviewed the audited financial statements for the year ending 2023 and confirm that they fairly represent Copperfin's position and comply with International Financial Reporting Standards. We have met with the external auditors both before and after the preparation of the statements to review the scope of the audit and any findings brought forth on the completion of the audit.

We have received confirmation that there are no outstanding legal actions involving Copperfin from our lawyers.

It has been a challenging and busy year for the Audit Committee.
The following activities were undertaken in 2023:

- Education and training on the roles and responsibilities of the Audit Committee and best practices, as well as a self-evaluation on the performance of committee members, internal Auditor, and external Auditor.
- Reviewed and made appropriate changes to policies and procedures to ensure internal controls were in place.
- Education and training on Securitization provided by a Securitization expert acting as a resource for the Audit Committee.
- Received and reviewed quarterly and annual reports.
- Reviewed and updated the Disaster Recovery Plan.
- Reviewed all Audits by external stakeholders and approved Management's response to them for any identified areas of risk.

During the year, the Audit Committee held eight meetings, arranging the agenda to fulfill the annual mandate.

We report that all significant recommendations made by the Audit Committee have been or are in the process of being implemented. In addition, there are no matters which the Audit Committee believes should be reported to the Members, nor are there any further matters that are required to be disclosed pursuant to the Act or the Regulations thereto.

The Audit Committee had the full co-operation of Copperfin's senior leadership team, MNP, and especially Dennis Alvestad, Matt Hitchens, and Allison Kasper. We thank them and all members of Senior Leadership for their dedication to ensure Copperfin adequately monitors and protects the assets of our members. I also would like to take this opportunity to thank all the members of the committee who worked so diligently this past year to achieve so much.



Colt German
Chair, Audit Committee



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of Copperfin Credit Union Limited:

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2023, and the summary statements of comprehensive income and changes in members' equity for the year then ended, are derived from the audited financial statements of Copperfin Credit Union Limited (the "Credit Union") for the year ended December 31, 2023.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1 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 logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten font, with 'LLP' in a smaller, simpler font to the right.

Chartered Professional Accountants

Winnipeg, Manitoba
March 13, 2024

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 13, 2024.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1 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 Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Copperfin Credit Union Limited
Summary Statement of Financial Position
December 31, 2023

	2023	2022
Assets		
Cash	\$ 23,200,831	\$ 47,598,727
Investments – Deposits	50,112,142	45,088,972
Investments - Other	1,004,215	1,013,200
Other assets	615,798	901,699
Derivative financial instruments	16,547	28,766
Member loans	481,007,451	460,616,764
Deferred income tax asset	838,000	713,000
Property, plant and equipment	5,243,748	5,736,909
Intangible assets	20,590	145,589
Total Assets	\$ 562,059,322	\$561,843,626
Liabilities		
Accounts payable and accrued liabilities	\$ 1,959,718	\$ 1,774,431
Income taxes payable	1,020,325	700,242
Members' deposits	498,226,111	500,457,846
Securitized mortgages under administration	14,294,302	16,156,191
Lease liability	332,335	468,582
Derivative financial instruments	173,518	125,019
Total Liabilities	516,006,309	519,682,311
Members' Equity		
Members' shares	1,462,415	1,507,244
Retained earnings	44,686,530	41,179,861
Accumulated other comprehensive income	(95,932)	(525,790)
Total Members' Equity	46,053,013	42,161,315
	\$ 562,059,322	\$ 561,843,626

Signed on behalf of the
Board of Directors by:



Colt German,
Director



Robert Jankovic,
Director

Copperfin Credit Union Limited**Summary Statement of Comprehensive Income
for the Year-Ended December 31, 2023**

	2023	2022
Interest revenue		
Interest on member loans	\$ 23,249,879	\$ 18,573,486
Other interest revenue	3,034,307	1,401,808
Total interest revenue	26,284,186	19,975,294
Interest and loan related expenses		
Interest on members' deposits	7,964,466	3,126,439
Other interest expense	700,491	819,858
Impairment on member loans	445,990	221,575
Total interest and loan related expenses	9,110,947	4,167,872
Financial margin	17,173,239	15,807,422
Other income	3,264,300	3,641,819
	20,437,539	19,449,241
Non-interest and operating expenses		
Deposit insurance	376,182	364,253
Depreciation and amortization	759,257	851,682
Director and committee expense	140,958	163,940
Distributions to members	300,000	300,000
Employee salaries and benefits	7,896,657	7,552,164
Other operating and administrative	5,556,997	4,299,584
Lease costs	101,980	86,184
Occupancy	567,912	539,115
Total non-interest expenses	15,699,943	14,156,922
Income before income taxes	4,737,596	5,292,319
Provision (recovery) for income taxes		
Current income tax	1,355,927	1,435,341
Deferred income tax (recovery)	(125,000)	(207,000)
Net provision for income taxes	1,230,927	1,228,341
Net income before other comprehensive income	3,506,669	4,063,978
Other comprehensive income (net of tax)		
Change in unrealized (losses) on available-for-sale investments	429,858	(525,790)
Total comprehensive income	\$3,936,527	\$3,538,188

A copy of the complete financial statements including significant accounting policies and other explanatory information is available from the credit union.

Copperfin Credit Union Limited

**Summary Statement of Changes in Members' Equity
for the Year-Ended December 31, 2023**

	Accumulated Other Comprehensive Loss	Members' Shares	Retained Earnings	Total
Balance at January 1, 2022	-	\$ 2,981,556	\$ 37,162,982	\$ 40,144,538
Net income	-	-	4,063,978	4,063,978
Distributions to Members	-	-	(47,099)	(47,099)
Members' shares issued	-	17,725	-	17,725
Members' shares redeemed	-	(1,492,037)	-	(1,492,037)
Change in unrealized losses on available-for-sale investments	(525,790)	-	-	(525,790)
Balance on December 31, 2022	\$ (525,790)	\$ 1,507,244	\$ 41,179,861	\$ 42,161,315
Net income	-	-	\$ 3,506,669	\$ 3,506,669
Distribution to Members	-	-	-	-
Members' shares issued	-	18,875	-	18,875
Members' shares redeemed	-	(63,704)	-	(63,704)
Change in unrealized losses on available-for-sale investments	429,858	-	-	429,858
Balance on December 31, 2023	\$ (95,932)	\$ 1,462,415	\$ 44,686,530	\$ 46,053,013

Copperfin Credit Union Limited
Notes to Summary Financial Statements
for the Year-Ended December 31, 2023

1. Basis of Preparation

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at December 31, 2023 and for the year then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected so that 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 the statement of financial position, the statement of comprehensive income and the statement of changes in members' equity;
- b) Management determined that the statement of cash flows does not provide additional useful information and as such, has not included it as part of the summary financial statements;
- c) Information in the summary financial statements agrees with the related information in the audited financial statements including comparative information and all major subtotals and totals; and
- d) In all material respects, the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related audited financial statements, including significant account policies and notes thereto.

Copies of the December 31, 2023 audited financial statements are available at Copperfin Credit Union Limited.

2. Compliance with Minimum Capital and Liquidity Requirements

The Credit Union is in compliance with the capital and liquidity reserve requirements as at December 31, 2023 established by the provisions of the Credit Union and Caisses Populaires Act, 1994 of Ontario.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity, the reader must refer to the audited consolidated financial statements for the year ended December 31, 2023, which contain the information detailing the calculation.



Copperfin

CREDIT UNION

Life Forward