



Bay Credit Union

2015 ANNUAL REPORT TO OUR MEMBERSHIP

A new, truly local
Credit Union

CO-OPERATIVE PRINCIPLES

Voluntary Membership

Credit unions are voluntary, cooperative organizations offering services to people willing to accept the responsibilities and benefits of membership, without gender, social, racial, political, or religious discrimination. Many cooperatives, such as credit unions, operate as not-for-profit institutions with volunteer boards of directors. In the case of credit unions, members are drawn from defined fields of membership.

Democratic Member Control

Cooperatives and credit unions are democratic organizations owned and controlled by their members, one member one vote, with equal opportunity for participation in setting policies and making decisions.

Members' Economic Participation

Members are the owners. As such, they contribute to and democratically control the capital of the cooperative. This benefits its members in proportion to the transactions with the cooperative rather than on the capital invested. For credit unions, which typically offer better rates, fees and services than for-profit financial institutions, members recognize benefits in proportion to the extent of their financial transactions and general usage.

Autonomy and Independence

Cooperatives and credit unions are autonomous, self-help organizations controlled by their members. If the cooperative enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the member and maintains the cooperative autonomy.

Education, Training and Information

Cooperatives and credit unions provide education and training for members, elected representatives, managers, and employees so they can contribute effectively to the development of the cooperative.

Credit unions place particular importance on educational opportunities for their volunteer directors and financial education for their members and the public, especially the nation's youth. Credit unions also recognize the importance of ensuring the general public and policy makers are informed about the nature, structure and benefits of cooperatives.

Cooperation Among Cooperatives

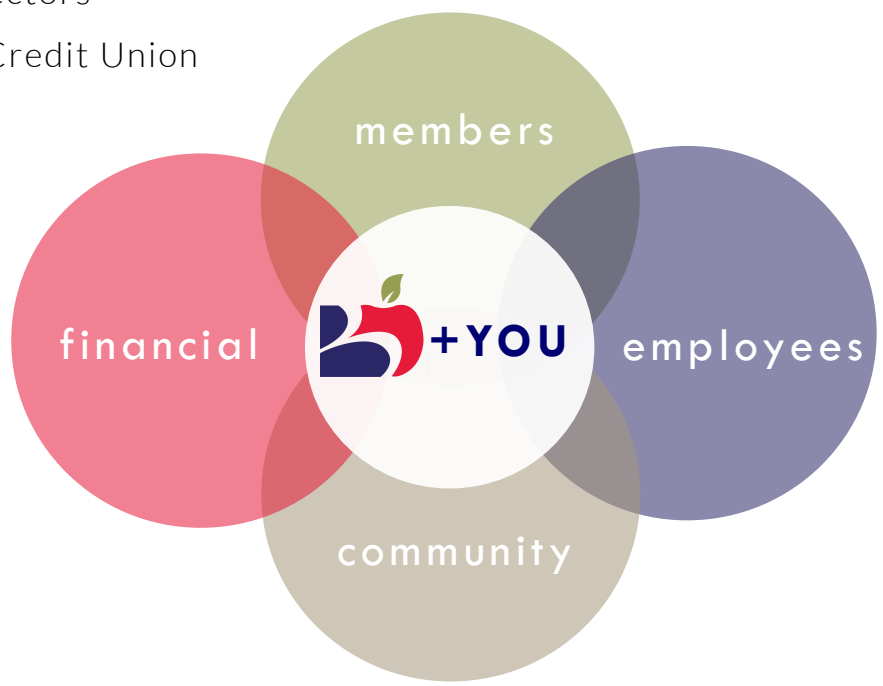
Cooperatives and credit unions serve their members most effectively and strengthen the cooperative movement by working together through local, provincial, regional, national, and international structures.

Concern for Community

Focusing on member needs, cooperatives and credit unions work for the sustainable development of communities, including people of modest means, through policies developed and accepted by the members.

70TH ANNUAL MEETING
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MINUTES OF THE 69TH ANNUAL GENERAL MEETING

TUESDAY, NOVEMBER 25TH, 2014

THE 69TH ANNUAL GENERAL MEETING OF BAY CREDIT UNION LIMITED WAS HELD ON TUESDAY, NOVEMBER 25TH, 2014 AT THE ITALIAN CULTURAL CENTRE.

9TH ANNUAL ILKKA T. OVASKA AWARD FOR SOCIAL RESPONSIBILITY

Prior to the start of our business meeting, Jim Bishop presented the 9th Annual Ilkka T. Ovaska Award for Social Responsibility to Stacey Livitski. Stacey Livitski has been a committed volunteer and advocate for the Canadian Diabetes Association-Northwestern Ontario since 2008. Stacey has been living with diabetes for 32 years and, as a volunteer, she helps to educate people about diabetes prevention and management at Health Fairs through the Diabetes Association Learning Series presentations in schools and by making herself available for one-on-one peer support.

With this Award, the recipient chooses the charity of their choice to receive a \$500 donation in their honour. Stacey Livitski chose the Canadian Diabetes Association to receive the funds.

ROLL CALL AND AGENDA

Richard Atkinson called the meeting to order at 7:00 p.m., welcoming 35 members and 7 guests in attendance.

Mr. Atkinson introduced guests John Hutton from DICO; Lynn LeGros, CEO of APPLE Credit Union; Brenda Andrew, Office Manager at APPLE Credit Union; and Lorne Kellar, Chairman of the APPLE Board of Directors.

Motion #1: To accept the Agenda for the Annual Meeting as printed.

Motioned by: Sandra Snider

Seconded by: Michael Sobota

Carried unanimously.

MOMENT OF SILENCE:

Richard Atkinson called for a moment of silence in remembrance of those members who passed away during the last year. He made special mention of our past manager, Laura Luomala.

Motioned by: Lori Tapsay

Seconded by: Jim Bishop

Carried unanimously.

MINUTES OF THE PREVIOUS MEETING:

Motion #2: To accept the Minutes of the 68th Annual Meeting, held November 26th, 2013 with a minor adjustment to motion numbers.

FINANCIAL STATEMENTS:

Richard Atkinson introduced Mike Speer from LCPS Chartered Accountants, who are our external auditors, to present the Financial Statements and Report. He stated that, in their opinion, the Financial Statements represent fairly, in all material respects, the financial position of Bay Credit Union Limited as at September 30, 2014; its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards.

Motion #3: To accept the Auditor's Report and Financial Statements as printed.

Motioned by: Seija Makelainen

Seconded by: Michael Sobota

Mr. Sobota also noted that he appreciated the financials being posted online. Sara Williamson asked that the notes to the financial statements also be put online. Mr. Speer indicated that should not be a problem.

REPORTS:

REPORT TO OUR MEMBERS:

Mr. Atkinson reviewed the Report to the Members noting that Bay Credit Union Limited is able again to offer an interest rebate of 10% to our borrowing members and a 10% bonus interest to our saving members. All in all, we have returned well over \$3 million in profits back to our members. He touched on the merger talks with APPLE Credit Union to form a truly local Credit Union. The proposed merger would strengthen both organizations and expand products and services. Decisions would be local, more career opportunities would become available and member services will improve. A Steering Committee has been formed to start the process, but many hurdles, including regulatory and membership approvals, need to be overcome.

Mr. Atkinson thanked the membership for their loyalty. He also thanked the staff, the Board and the Committees for their hard work and dedication.

Motion #4: To accept the Report to our Members as printed.

Motioned by: Merja Caccamo

Seconded by: David Green

Carried unanimously.

SOCIAL RESPONSIBILTY COMMITTEE:

Sandra Snider and Jim Bishop, co-chairs of the SRC, presented the Report together. They indicated that co-chairing worked well in their case. Some of the achievements noted were working with Aboriginal Liaisons; Blue Planet talks with the City of Thunder Bay; and the Commuter Challenge.

Michael Sobota gave kudos to the SRC, congratulating them on the small things that affect the larger community, for example, the bike repair station.

Steve Mantis had attended a conference in Toronto and was able to effectively use Bay Credit Union’s Social Responsibility Committee as an example of the effective application of social responsibility in a business environment.

Sara Williamson inquired on the strategy of acquiring more members from Generation Y and the Aboriginal community. Lea Matyuska replied that our low fees attract younger members, referrals are big and, if the merger goes through, we will be able to offer e-transfers. Richard Atkinson noted that he is involved with the “Unbanked” population project; they lack any kind of ID and, therefore, cannot get a bank account. Bay Credit Union has networked with the Kinna-awaya Legal Clinic on this problem. Mr. Atkinson had been at a Credit Union Conference where this SRC model had become center stage.

Mr. Bishop and Ms. Snider extended thanks to staff member Tatijana Péraud for the social media expertise enjoyed by the SRC as well as Bay Credit Union.

Motion #5: To receive the Social Responsibility Committee Report as printed.

Motioned by: Jean Armstrong

Seconded by: Penny Guidone

Carried unanimously.

LOAN OFFICER’S REPORT:

Misty Miller, Loan and Mortgage Officer, reported that the average loan/mortgage during 2013/2014 was \$49,600 and that our low delinquency rate is the envy of the credit union system. When asked, Ms. Miller explained how coaching a declined borrower is part of the program and can help turn their financial future around. We don’t just decline their loan, we try to show them why and how to fix it.

High collection and NSF losses are reported due to a ‘skimming’ incident and our insurance has a \$10,000 deductible.

Motion #6: To accept the Loan Officer’s Report as printed.

Motioned by: Sara Snider

Seconded by: Jim Bishop

Carried unanimously.

NEW BUSINESS: ELECTION OF DIRECTORS

Jim Bishop, representing the Nominating Committee, advised that there were 3 positions for 3 year terms and 1 position for 1 year to be filled. Sandra Snider, Kirsti Ovaska, Graham Saunders, and Tarja Heini-maki agreed to let their names stand.

He called for further nominations from the floor on 3 separate occasions; hearing none, the above noted were acclaimed.



APPOINTMENT OF AUDITORS:

Motion #7: To accept the recommendation of the Board of Directors and engage the services of LCPS Chartered Accountants as our external auditors for 2015.

Motioned by: David Green

Seconded by: Lori Tapsay

Carried unanimously.

Mr. Sobota inquired as to how long the same accounting firm would be used before tendering new bids. Mrs. Matyuska replied that it is usually 3-4 years.

MERGER INFORMATION:

Richard Atkinson stated that in 1987 there were 1,497 credit unions in English speaking Canada; today there are 320. This is an 80% reduction and, for the most part, happened through mergers. In our case, both Bay Credit Union and APPLE Community Credit Union are financially healthy and many factors, such as regulatory pressures, economics of scale, products to members, make this merger a win-win situation. We are the only 2 credit unions in Thunder Bay that are locally owned: we both focus on community and why we exist; and realize that we must work together in order to compete with the banks.

He assured everyone will still have their jobs, except Bay Credit Union's CEO Lea Matyuska who is retiring. Both names have proud legacies. The legal name will be Bay Credit Union Limited; the branches will be referred to as Bay and APPLE.

A future branch on the Fort William side of the City could happen.

Mr. Sobota thanked both Boards of Directors for their forward thinking and the amount of advance notice being given, showing that the community, staff and members are our first consideration.

Carried unanimously.

FINANCIAL REPORTING SEMINAR/WORKSHOPS:

Seija Makelainen, our Board Member/CA, is willing to present to any size of group of individuals who would like 'lessons' on how to read the financial reports. Registration would be with the tellers at Bay Credit Union.

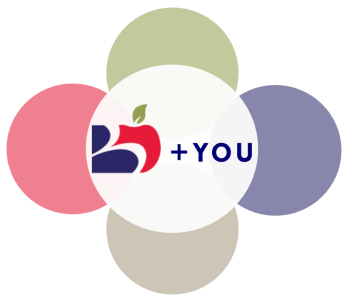
ADJOURNMENT:

Motion #8: To adjourn the 69th AGM of Bay Credit Union Limited at 8:15 p.m.

Motioned by: Richard Atkinson

Seconded by: Jean Armstrong





REPORT TO OUR MEMBERS

OUR PURPOSE is to provide financial services for the economic well-being of our community. **OUR POLICY** is to do so in a socially responsible manner.

On behalf of the Board of Directors and the staff of Bay Credit Union, I would like to welcome you all to our 70th Annual General Meeting.

As you all know this year was a unique and transformative year in the history of our credit union because of the merger with Apple Community Credit Union which took place as of May 1st, 2015. This certainly has been an exciting and energizing event while at the same time, in many ways, being one of the most difficult years in our mutual history.

The first thing I need to say about this past year is a huge “THANK YOU” to our hard working and dedicated staff who worked so diligently and effectively to make this merger work and minimize the impact on our members. Without this remarkable effort I really don’t know where we’d be today because initially we experienced a rather dramatic failure of the data processing corporation to accommodate the merged systems.

Secondly we must thank our loyal and understanding members who were very kind to the staff and patient as we worked out the bugs in the system. We certainly learned a lot in the process and if we had known then, what we know now, we would have done many things differently but hindsight is always 20/20.

The good news is, of course, the majority of the difficulties have been resolved and we are now looking toward a bright future full of opportunities and promise with a healthy, strong base to build on.

As you can see from our financial statements our total assets have increased from just over \$44 million to just under \$63 million. The assets purchased from Apple Community Credit Union totalled \$14 million so there was an over-all increase of about \$5 million in assets representing real growth over the past year. Our loans and mortgage portfolio increased from \$26.8 million to just over \$39 million and our member deposits increased from about \$41 million to \$58.8 million.

We are also pleased to report that even with all the turmoil and additional one-time expenses incurred in this merger year we are still able to offer our members a loan and mortgage rebate of just under 7% of the interest they have paid. We will also be matching that rebate by paying our depositing members an equal bonus interest payment on the interest they have earned on their deposits with our credit union.

Our credit union has now returned over \$3 million dollars in profit back to our members. Some of our members have received profit sharing bonuses totalling over \$20,000. This is the profit on your money that banks keep and this profit sharing is one of the main differences between banks and credit unions.

Unlike banks, we do not retain “surplus profit” – we refund it to you, our members, and we are proud of that. Many members have invested their Class A Shares in Registered Retirement Shares and received an additional tax refund. When you have a mortgage with Bay Credit Union you are investing in a home and building equity and wealth as well as receiving refunds on the interest to invest as retirement savings that generate tax refunds providing immediate cash. These are the benefits of being a member of our credit union and every new member you bring to our credit union increases the amount you can receive at the end of each year.

Our Board and the Audit Committee, along with our staff, continue to monitor all aspects of our financial situation. We are assisted by the internal audit firm of Turner and Company, our auditors LCPS Chartered Accountants, and by reviews from both our Deposit Insurance Company and our Bonding Insurance Company.

The financial statements as audited by LCPS Chartered Accountants have been reviewed and fairly represent the year-end position of Bay Credit Union. We have performed all of the duties required of both the Board of Directors and the Audit Committee. Bay Credit Union is financially in great shape and continues to place very favourably in province-wide comparisons.

As of now Bay Credit Union is the only credit union, in fact, the only financial institution, with its head office, and all decision making authority, located in the City of Thunder Bay. We are the only truly local choice for people in Thunder Bay and we are also the best choice so let's all help in spreading that message.

Again I would like to thank our staff for their hard work and our members for your loyalty and together we will continue to grow and flourish.



A handwritten signature in black ink, reading "Richard Atkinson".

RICHARD ATKINSON,
CHAIR,
BOARD OF DIRECTORS

A handwritten signature in black ink, reading "Lynne Legros".

LYNNE LEGROS,
CEO



LOAN OFFICER'S REPORT

Our performance in the lending department is essential for us to better understand where we stand and how we can continuously improve to better serve our members.

During the past year, our lending department granted 310 new loans and mortgages with the average loan totalling \$41,225.32. In total 89 applications for credit were declined. It was in the best interest of the Credit Union, as well as the applicant, not to grant these loans.

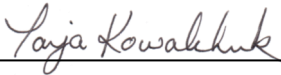
The following loans were reviewed and approved:

Total applications received:	243
Total loan applications declined:	68
Total mortgage applications received:	134
Total mortgage applications approved:	113
Total mortgage applications declined:	21

LOAN PURPOSE	APPROVED	AMOUNT
Auto – New	1	\$ 14,570.81
Auto –Used	8	73,488.43
Auto Purchase/Repair	14	273,467.93
Recreation Vehicle	6	25,889.76
Consolidation	75	2,749,526.06
Investment Property	1	230,000.00
Medical/Dental	1	2,500.00
Home Improvements	21	710,305.18
Home Purchase	27	2,049,366.75
Real Estate	1	165,591.65
Vacation	4	13,231.72
Household Expense	1	3,102,384.05
Other	132	2,148,501.35
1 st Mortgage	17	1,208,728.99
Wedding	1	12,297.93
TOTAL	310	\$ 12,779,850.61

Total loans more than 90 days delinquent:	1 - \$ 684.38
Total mortgages more than 90 days delinquent:	1 - \$116,342.25
Total authorized overdrafts more than 90 days delinquent:	2 - \$ 1,241.12
Total unauthorized overdrafts more than 90 days delinquent:	4 - \$ 2,600.22

Respectfully submitted,


TARJA KOWALCHUK,
ADMINISTRATION MANAGER


MISTY MILLER,
LOAN OFFICER


RAIJA SAVAS,
LENDING SUPERVISOR



REPORT OF THE AUDIT COMMITTEE

Bay Credit Union Limited has maintained an audit committee pursuant to section 125 of the "Credit Unions and Caisses Populaires Act, 1994 (Ontario)" and section 199 of the "Cooperative Credit Associations Act (Canada)". The Audit committee is comprised of six members from the current Board of Directors that meet at least quarterly.

The committee develops a work plan for each year and evaluates the effectiveness of the committee annually. The Audit Committee's responsibilities include the review of all financial reporting procedures and of the internal and external control procedures. The committee also reviews both new and existing credit union policies and procedures and recommends the adoption of those policies and procedures to the board of directors.

The Audit Committee works closely with management, staff, as well as internal and external auditors to ensure that the credit union is in compliance with all pertinent legislation. This includes regulatory compliance audits, security audits, FINTRAC audits, and the reports of our internal auditors and external auditors. Our review includes follow-up responses when required. Our Auditors review operational activities, including personal and mortgage loan processes, various accounting transaction procedures, cash counts and internal controls and procedures on a regular basis to ensure compliance with operational policies and practice.

Bay has implemented an Enterprise Risk Management program to improve the credit union's management of risk by identifying, understanding and addressing inherent financial, operational and strategic risks. The ERM committee consists of both management and board members and reports to the audit committee.

The Audit Committee is pleased to report to the members of the Credit Union that it has fulfilled its mandate and hereby confirms that it is conducting its affairs in accordance with the Act and the Regulations. The Committee received full co-operation and support from Management enabling it to play an effective role in maintaining the quality of financial reporting to the Members. Any questions or concerns raised by the Audit Committee were addressed in a timely, courteous and professional manner. We have no recommendations or unresolved matters to report back to the membership.

The Audit Committee would like to thank the management and staff for their cooperation, dedication and support during the past year.

Respectfully submitted by the Audit Committee,

ERICK BRUCE,
AUDIT COMMITTEE CHAIRPERSON

SEIJA MAKELAINEN,
PRE-MERGER CHAIRPERSON



FINANCIAL STATEMENTS

LCPS CHARTERED ACCOUNTANTS



chartered
accountants
professional corporation

To the members of Bay Credit Union Limited

We have audited the accompanying financial statements of Bay Credit Union Limited, which comprise the statement of financial position as at September 30, 2015, and the statements of comprehensive income, changes in members' equity and cash flows for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bay Credit Union Limited as at September 30, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Thunder Bay, Ontario
November 10, 2015



Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Institute of Chartered Accountants of Ontario

(see notes to financial statements which are available upon request)

BAY CREDIT UNION LIMITED**Statement of Financial Position****September 30, 2015**

	2015	2014
ASSETS		
Cash (Note 4)	\$ 11,643,114	\$ 5,892,796
Investments (Note 5)	11,386,052	11,256,864
Current income taxes recoverable (Note 13)	2	-
Derivative financial instruments (Note 6)	17,213	-
Other assets (Note 10)	91,941	61,081
Deferred income tax assets (Note 13)	4,650	-
Loans to members (Note 7)	39,025,903	26,874,166
Intangible assets (Note 9)	19,880	10,696
Property and equipment (Note 9)	801,283	468,549
	<u>\$ 62,990,040</u>	<u>\$ 44,564,152</u>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Accounts payable and accruals	\$ 338,258	\$ 361,160
Income taxes payable (Note 13)	-	1,302
Deferred income tax liabilities (Note 13)	-	2,971
Derivative financial instruments (Note 5)	17,213	-
Members' deposits (Note 11)	58,817,216	41,343,497
Total Liabilities	<u>59,172,687</u>	<u>41,708,930</u>
Members' equity		
Membership shares (Note 14)	1,384,483	1,315,334
Retained earnings	2,335,364	1,468,019
Accumulated other comprehensive income	97,506	71,869
Total Members' Equity	<u>3,817,353</u>	<u>2,855,222</u>
	<u>\$ 62,990,040</u>	<u>\$ 44,564,152</u>

BAY CREDIT UNION LIMITED
Statement of Comprehensive Income
Year Ended September 30, 2015

	2015	2014
INTEREST REVENUE		
Interest on personal loans	\$ 189,524	\$ 129,182
Interest on mortgages	1,174,671	970,230
Interest on investments	239,298	230,874
	<u>1,603,493</u>	<u>1,330,286</u>
INTEREST AND LOAN RELATED EXPENSES (RECOVERIES)		
Interest on members' deposits (Note 11)	349,631	277,059
Distribution to members' (Note 14)	158,240	190,767
Allowance for impaired loans (Note 8)	(7,450)	(5,101)
	<u>500,421</u>	<u>462,725</u>
OPERATING MARGIN BEFORE THE FOLLOWING	<u>1,103,072</u>	<u>867,561</u>
OTHER INCOME (Note 15)	<u>372,885</u>	<u>315,731</u>
OPERATING MARGIN	<u>1,475,957</u>	<u>1,183,292</u>
OPERATING EXPENDITURES (see schedules)		
Administration	170,520	152,255
Advertising and communications	79,021	71,286
Acquisition expense	51,514	-
Computer and equipment	65,585	50,384
Member security	86,001	71,422
Occupancy	67,205	54,920
Other	67,733	57,000
Salaries and benefits	869,640	677,763
	<u>1,457,219</u>	<u>1,135,030</u>
OPERATING INCOME BEFORE THE FOLLOWING	<u>18,738</u>	<u>48,262</u>
Current income tax expense (Note 13)	(3,249)	(8,239)
Deferred income tax recovery (Note 13)	4,783	1,201
Loss on disposal of property and equipment	<u>(14,922)</u>	<u>(2,021)</u>
NET INCOME	<u>\$ 5,350</u>	<u>\$ 39,203</u>
Other comprehensive income (net of tax)		
Reclassification in unrealized gains on available-for-sale-investments	<u>\$ 7,031</u>	<u>\$ 7,070</u>
Total other comprehensive income for the year	<u>\$ 7,031</u>	<u>\$ 7,070</u>
Total comprehensive income for the year	<u>\$ 12,381</u>	<u>\$ 46,273</u>

BAY COMMUNITY CREDIT UNION LIMITED

Schedule of Operating Expenses

Year Ended September 30, 2015

	2015	2014
ADMINISTRATION		
Professional fees	\$ 31,223	\$ 37,137
General administration fees	11,936	4,080
Interac charges	101,726	79,314
Interest and bank charges	6,922	14,145
Training	18,713	17,579
	<u>\$ 170,520</u>	<u>\$ 152,255</u>
ADVERTISING AND COMMUNICATIONS		
Advertising and promotion	\$ 41,191	\$ 42,101
Postage and courier	17,314	12,043
Telephone and fax	20,516	17,142
	<u>\$ 79,021</u>	<u>\$ 71,286</u>
COMPUTER AND EQUIPMENT		
Alarm monitoring expense	\$ 5,137	\$ 2,825
Computer and equipment repairs	47,388	34,034
Computer amortization	4,194	3,302
Furniture and fixtures amortization	4,615	2,612
ATM amortization	2,546	2,217
Software amortization	1,705	5,394
	<u>\$ 65,585</u>	<u>\$ 50,384</u>
MEMBER SECURITY		
Bonding insurance	\$ 29,153	\$ 24,686
Deposit Insurance Corporation of Ontario premium	43,081	35,874
General insurance	13,767	10,862
	<u>\$ 86,001</u>	<u>\$ 71,422</u>

OCCUPANCY

Building amortization	\$ 11,972	\$ 9,939
Parking lot amortization	1,176	337
Property taxes	18,656	11,991
Repairs and maintenance	16,857	20,307
Utilities	18,544	12,346
	<u>\$ 67,205</u>	<u>\$ 54,920</u>

OTHER

Meetings and conventions	11,067	5,952
Collection expense	1,085	10,699
Office	55,581	40,349
	<u>\$ 67,733</u>	<u>\$ 57,000</u>

SALARIES AND BENEFITS

Employee benefits	\$ 166,149	\$ 132,724
Honoraria	5,875	7,050
Salaries and wages	697,616	537,989
	<u>\$ 869,640</u>	<u>\$ 677,763</u>



RICHARD ATKINSON,
CHAIR,
BOARD OF DIRECTORS



LYNNE LEGROS
CEO



SOCIAL RESPONSIBILITY REPORT

Our Social Responsibility Committee was formed to help us leave a positive impact on our community and encourage others to follow suit.

Overview

As we are all aware, credit unions are not-for-profit financial co-operatives owned and controlled by their members. They are independent, democratic, locally controlled, and function according to the co-operative model. As cooperatives we care about the needs of our members and the quality of life in our community, as well as the bottom line. Presently, Bay Credit Union is the only credit union that is locally owned and operated in Thunder Bay and one of a handful of credit unions across Canada that has a Social Responsibility Committee. You can find the Seven Cooperative Principles on the back of the front cover.

These seven principles are founded in the philosophy of cooperation and its central values of equality, equity and mutual self-help. They express, around the world, the principles of human development and solidarity through people working together to achieve a better life for themselves and their community.

Brief History of Credit Unions in Canada

For those of us that do not know or do not remember, the first credit union in North America was founded by Alphonse Desjardin, the Caisse Populaire de Levis Quebec, and began operation on January 23, 1901. Attempts in the 1920s to establish credit unions in English-speaking areas in Ontario and the west did not succeed. In the 1930s, the organizers of Cape Breton's Antigonish Movement (local community development movement founded by Moses Coady) associated themselves with (American) Credit Union National Association and established a credit union in Broad Cove (1932). Credit unions grew rapidly in Atlantic Canada during the Great Depression and, by the early 1940s, they were being established across "English" Canada. The CCF (Cooperative Commonwealth Federation) government in Saskatchewan specifically encouraged their formation.

Credit unions are different because our profits go back to our members. Whether it's through donations, sponsorships, scholarships, profit sharing, or participating in and hosting community events, credit unions share their profits with those who help make us successful: our members and our community!

Our history is the foundation of our philosophy: that everyone deserves the opportunity to achieve financial well-being; that working together, cooperatively, works for the good of all; and that giving back to communities is a key rationale for profitable operations. The rest is history.

For those who want a more detailed history check out:

http://www.academia.edu/4377146/Change_in_the_Credit_Union_Movement

Social Responsibility

Learning about our community and giving back to the community has been the basis for Bay Credit Union's Social Responsibility Committee which was founded in 2003. Each month, we meet to discuss various social issues confronting our community. Every second month, we have guest speakers to inform us about their organization, its needs; how Bay Credit Union can assist. Since the last AGM Report, we have met with representatives from the Northwest Women's Centre, Blessings in a Backpack, RFDA (Regional Food Distribution Association), and the Elizabeth Fry Society.

Currently, committee members are Richard Armstrong, Rick Atkinson, June Gaw, Steve Mantis, Beth Ponka, Graham Sanders, Sandra Snider (Chair), and Ruth Westcott. Lynne LeGros is an ex officio member. Lea Matyuska was instrumental in the development of the Committee; she has just retired.

Ongoing involvements include Speakers' School, I.D. Clinic, I.D. Bank, Living Wage Employer, Bike Repair Station and public lectures (last one on Guaranteed Annual Income). The Strike and Lockout and Homeowner Assistance Programs are important to our members. Our vision is that we have a moral and ethical responsibility for positive change and community development. Our members care about the well-being of the community. We are a force for this vision, and our creativity is the key. This is relevant for all our members, and all are welcome to become involved.

BCU's Social Responsibility Committee has a sub-committee called the SR Accountability (social and ethical auditing and reporting function) Committee. This year it will not submit a report due to the merger.

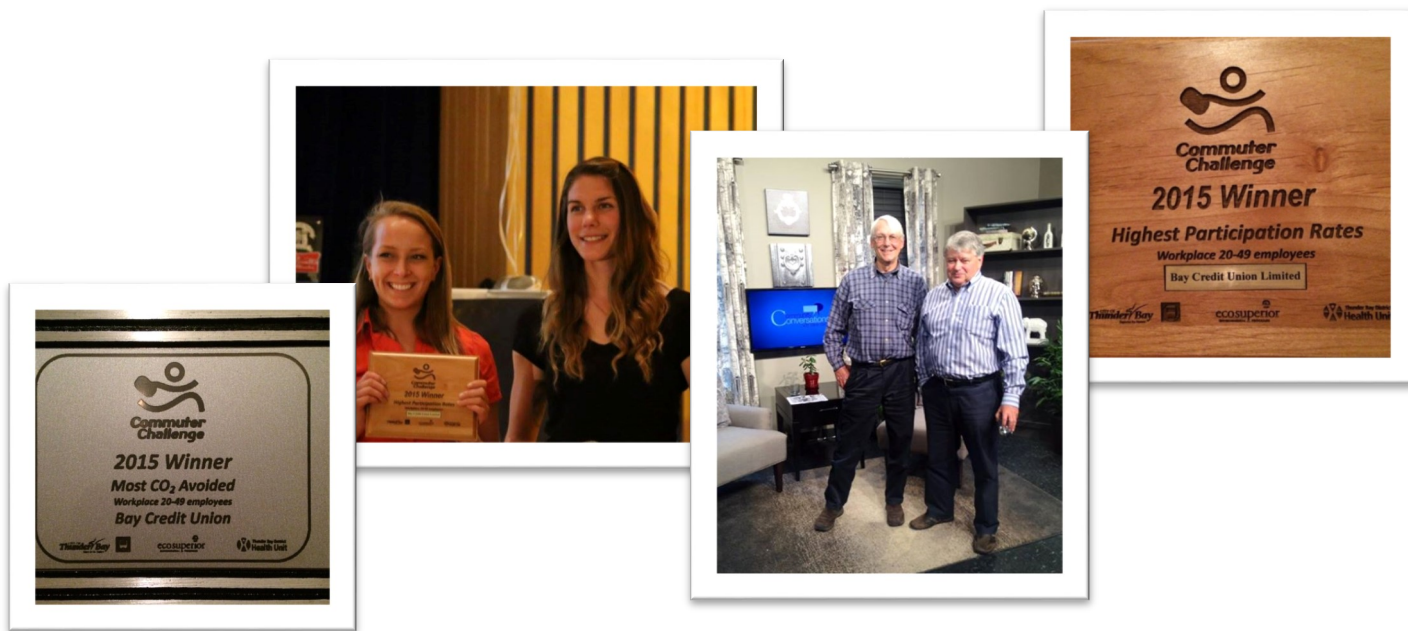
Its motto is *"Measure what you value, or you will value what you measure."* The social audit is one tool to measure our performance against our expectations and is still in its infancy. It is also an opportunity to recognize and celebrate our successes. It helps us make Bay Credit Union a stronger and more relevant organization to you, our stakeholders. Going forward, it is our intention to continue to re-evaluate the audit process and identify and recommend new measures that are meaningful to BCU's social performance to the broader society.



We, members of Bay Credit Union, are the owners and the customers of this financial institution. This social performance assessment considers both roles. Some of the areas that it measures are:

- Democracy (effective participation, equality in voting, opportunities to gain an understanding of issues, number of volunteers, member rights and responsibilities, member feedback, plain language, democratic governance, and elections);
- Employees (pay equity, living wage, employment equity, work environment, health and safety, robbery procedures, illness and wellness, education and training, employee retention);
- Community (accessibility, social and economic development, community service, general corporate donations);
- Bay Credit Union and Co-op Movement (sponsor meetings, ensure involvement, socially responsible purchasing); and
- Environment (energy efficiency).

Remember that social auditing is new and evolving. If you have an interest, please volunteer with the Social Responsibility Committee or its sub-committee. The sub-committee is currently comprised of Richard Armstrong (Chair), Rick Atkinson, Steve Mantis.



RICHARD ARMSTRONG,
CO-CHAIR,
SOCIAL RESPONSIBILITY COMMITTEE

SANDRA SNIDER,
CO-CHAIR,
SOCIAL RESPONSIBILITY COMMITTEE

BOARD OF DIRECTORS

Jim Bishop

*2nd Vice President
Term Expires 2016*

Jim joined Bay Credit Union in 1983. In the past, Jim has assisted as Chair to our Policy, Enterprise Risk Management, CEO Assessment Committees, and the Social Responsibility Committee.



Seija Makelainen, C.P.A., C.A.

*Secretary
Term Expires 2015*

Seija, a member of Bay Credit Union since 1990, was elected to our Board in 2012. She currently works as Senior Accountant with Grant Thornton LLP. Her accounting expertise has been appreciated!



June Gaw

*Director
Term Expires 2015*

June joined our Board with the merger. She became a Board member of Apple in 2010, previously serving as President of the Thunder Bay Elevators. June is currently employed by the Government of Canada as a Field Supervisor. She is Chair of the Current River Churches' Food Cupboard, President and Chair of the Regional Food Distribution Association, Treasurer of Little Lions Waldorf Kindergarten & Daycare among others. June is a recipient of the Queen Elizabeth II Diamond Jubilee Medal.



Richard Atkinson

*President
Term Expires 2015*

Richard has been a member of Bay Credit Union for over 30 years and an active member of our Board of Directors since 1989. Richard works at Kinna-aweya Legal Clinic., and provides legal expertise for our Board.



Lorne Keller

*1st Vice President
Term Expires 2014*

Lorne joined our Board with the merger. He joined the Apple Board in 1994, holding the position of President from 1998-2015. As a long time employee of Provincial Paper, he continued his education at the closure of Abitibi, and is now employed as a Controller for Santorelli's, Pro-Tech Tire, Raymar Petroleum and Central Canada Feeding Station.



Jean Armstrong

*Director
Term Expires 2016*

Recently retired, Jean joined our Board of Directors in 2013. Jean has strong accounting and people skills honed through her extensive work experience and education. She has served as a member of our Audit Committee and Marketing Committee





Cliff Settee

Director
Term Expires 2017

Cliff joined our Board with the merger. He became a Board member of Apple in 2010 with the merger of Thunder Bay Elevators, where he served as the Corporate Secretary for several years. He is currently employed by Richardson's Elevator and is very active in the Union.

Sandra Snider

Director
Term Expires 2017

Sandra joined Bay Credit Union, and the Social Responsibility Committee in 2013. She co-chaired the Social Responsibility Committee in 2013-2014, and has served on the Ilkka Ovaska Award Selection Committee. Working for the Province of Ontario since 1981 and is now a team representative for her employer, Service Ontario Ministry of Government Services. Sandra volunteers widely, serving her church, her politics, and her values.



Eric Bruce

Director
Term Expires 2017

Erick joined our Board with the merger. He had been a member of Apple Community Credit Union since he was a child. He joined the Board in 2005 and became Vice-Chair in 2007. Erick is the Electrical and Controls Department Manager of Nordmin Resource and Industrial Engineering. Erick is the current Chair of our Audit Committee.



David Green

Director
Term Expires 2016

David served on Bay Credit Union's Board of Directors from 1988-1995, returning in 1999. David has served as the Chair of our Audit Committee for over a decade. He is an owner of Maier Hardware.



Robert Grasley

Director

John joined our Board with the merger of He had been a Director at Apple Credit Union since 2011, and sat on the Audit Committee and House Committee. John is retired from SaskWheat Pool where he was employed as an Electrician.



Jerry McLean

Director
Term Expires 2017

Jerry McLean joined our Board with the merger of Apple Credit Union. He joined Apple several years ago as an employee of Abitibi Provincial Papers and became a member of the Board in 2008 where he served on the Audit Committee. Jerry is currently employed by Gardaworld as a cash a security provider. Jerry is the owner of Crystal Beach Restaurant.





STAFF OF BAY CREDIT UNION

BRENDA ANDREW

PENNY GUIDONE

LINDA HUSTON-CARTER

DONNA CHOMA

CHERYL HAAPSAARI

KAREN HANNAH

KELLY KNOWLES

TARJA KOWALCHUK

SYLVIA KULUSKI

LYNNE LEGROS

GAIL MACDOUGALL

LEA MATYUSKA

JOAN MAYO

MISTY MILLER

KERRY MORDEN

RACHELLE PAQUETTE

KIM PRICE

TATIJANA PERAUD

HELEN RAPINO

RAIJA SAVAS

TARA SILVER

CHERYL SMITH

PAULA SULLIVAN

LORI TAPSAY



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