



Southwest
REGIONAL CREDIT UNION



— *Serving People with People Since 1939*

- 2024 -
ANNUAL REPORT

AGENDA

35th Annual Meeting of



JANUARY 21, 2025 • 6:00 P.M.

Registration

- Call To Order By Chairperson
- Report On Registration Of Members
- Appointment Of Recording Secretary

Service Awards

Business Meetings

1. Minutes Of The 34th Annual Meeting
2. Report Of The Board Of Directors and The Chief Executive Officer
3. Report Of The Director of Sales & Service
4. Report Of The Audit Committee
5. Report Of The Auditors

New Business

1. Appointment Of The Auditors
2. Director Election
3. Co-operative Young Leaders (CYL) Camp Presentation

Adjournment

2023-2024 Board of Directors

Elected with terms as shown:

Dan Peters 2024

Jim Maw 2025

Wayne Freer 2026

Chris Courtis 2024

Carl Thompson 2025

Ben Dekker 2026

Donna Langford 2024

Peter Cliff 2025

Tracy Kingston 2026

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34TH ANNUAL MEETING MINUTES

January 23, 2024

The 34th Annual General Meeting of Southwest Regional Credit Union Ltd. was held remotely by Webex, broadcasted from the Head Office of Southwest Regional Credit Union, 1205 Exmouth Street, Sarnia, Ontario on January 23, 2024. The meeting was called to order at 6:00 p.m.

Board Chair, Ben Dekker introduced himself and welcomed those attending the meeting. He went on to explain the importance of Annual Meetings. Ben reviewed some guidelines to the Membership in order for everyone to understand their role as participating members. Ben introduced those who would be presenting reports; Glenn Wilson – CEO & Board Secretary, Sherry Van Bilsen – Director of Sales & Service, Rudy Fischer – Audit Committee Chairman and Laura Poland - Partner, Baker Tilly, LLP our external auditors of Southwest Regional Credit Union. Also present in the Board Room was the current Board of Directors. Ben welcomed the attending Guests, Past Board Members, Past General Managers and Representatives from the firms that partner with us throughout the year. Ben welcomed input and/or questions from anyone who wanted to speak by using the chatbot function.

Ben recalled some of the history of Southwest Regional Credit Union. Starting in 1939, Southwest has grown through 84 years of existence. Starting in the Mooretown community and growing to 4 branch locations. Southwest serves over 6,300 Members and manages over \$210 million in on-balance sheet assets and \$25 million in off-balance sheet assets consisting primarily of Mutual Fund Securities. Ben thanked the many individuals, past and present, who have contributed to Southwest's success.

Acknowledgement of the 2023-2024 Board of Directors

Ben spoke about the responsibilities of the Board and thanked them for their contributions throughout the year.

Rudy Fischer	Board Member, Board Vice-Chair and Audit Committee Chair
Jim Maw	Board Member
Chris Courtis	Board Member
Wayne Freer	Board Member
Dan Peters	Board Member
Carl Thompson	Board Member
Donna Langford	Board Member
Peter Cliff	Board Member
Ben Dekker	Board Member and Board Chair

Ben asked Mr. Secretary, Glenn Wilson, if a quorum was present. Glenn Wilson responded yes, there are 44 members, and 5 guests present. Ben declared we have a quorum.

Following a request for appointment of a recording secretary, it was moved by Glenn Wilson and seconded by Dan Peters to appoint Megan Murphy as the Recording Secretary for the 34th Annual Meeting of Southwest Regional Credit Union Ltd. Motion Carried.

Chair Ben Dekker announced recipients of Service Awards for Southwest Regional Credit Union and thanked them for their service and dedication.

Employees

LuAnne Rummerfield	(Exmouth Branch)	25 years
Ken Ritchie	(Head Office)	10 years
Alicia Rumohr	(Exmouth Branch)	10 years
Ann Wieringa	(Wyoming Branch)	10 years

34TH ANNUAL MEETING MINUTES...Cont'd

January 23, 2024

Dee Johnston-Berkvens	(Wallaceburg Branch)	10 years
Tracy Monk	(Exmouth Branch)	5 years

Board of Directors

Wayne Freer	6 years (2 terms)
Rudy Fischer	6 years (2 terms)

Business Meeting

For the Business portion of the meeting, Ben Dekker stated that the minutes from the 33rd Annual General Meeting were provided to the Members in the AGM booklet and asked if there were any errors, omissions or questions. Seeing that there were no errors, omissions or questions, it was moved by Rudy Fischer and seconded by Carl Thompson to accept the Minutes of the 33rd Annual Meeting as presented. Motion Carried.

Glenn Wilson presented the Report of the Board of Directors and Chief Executive Officer. Glenn started by stating that Southwest had an impressive year with a long list of exceptional results. On the balance sheet, Southwest had generated strong asset growth of over \$12.5 million, reaching around \$210 million in total assets. This represents 36% asset growth over the past 4 years, which is ahead of the industry average. The credit portfolio also grew by \$19.7 million, and deposits grew by \$10 million. He stated that it was a very solid year with exceptional effort from the staff to do business with our members. All of this growth, combined with careful expense control, improvements in workflow efficiencies, and overall productivity improvements had resulted in a record setting net income for the year of just over \$1.3 million. He expressed that this is the best in the credit union's 84 years of history.

Glenn moved on to thank the staff and Members for an exceptional year and mentioned that the Annual Report could be found on the website for details on the Member Dividend & Loan Rebates. On the topic of Member dividends, Glenn stated that Southwest has been developing a more equitable dividend program which is what has required some proposals/changes to our By-Law that were presented to members for approval. Once there is an outcome of the By-Law vote, more details will be provided.

He continued to talk about the economic front, as we were faced with the highest levels of inflation seen in Canada for decades. Through this challenging economic environment Southwest was able to maintain focus on our local communities and continued to support small businesses and entrepreneurs. He went over some of the ways Southwest Regional Credit Union helped within the communities:

- The 6th Annual Business Boost Bundle Contest which promotes local entrepreneurs in partnership with Sarnia Lambton Business Development Corporation and our marketing partner CR Creative. Glenn congratulated the winner of 2023 – Emily Mallon with her “Save The Date” florist and wedding décor business.
- He announced the creation of Southwest Regional Credit Union's Citizenship Awards that were presented to deserving graduates at each of the six local high schools. Glenn read aloud a thank you letter that was sent in by one of the students who had won the award.
- The Co-operative Young Leaders (CYL) Summer Camp – Two members were sponsored.
- 11 student scholarships were given to credit union members attending post-secondary education.
- Donations were made to a large selection of local charities through our charity BBQ's, staff contributions from casual Friday's, and branch market donations.

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34TH ANNUAL MEETING MINUTES...Cont'd

January 23, 2024

- Southwest also made a larger one-time donation to Pathways Health Centre for Children in Sarnia and Children's Treatment Centre of Chatham-Kent.

He moved on to discuss some of the improvements Southwest has made to the products, services, and technology. A few of the bigger accomplishments Southwest made this year include:

- Upgrading the e-transfer functionality
- Adding an online void cheque feature
- Improving the website calculators
- ATM software upgrades
- Installing a new credit union wide phone system
- Increasing the debit card tap limits to \$250
- Invested in cyber security training for all staff and directors and enhanced firewalls

Moving forward Southwest is working on a new digital platform for online and mobile banking that's scheduled for launch in 2024. There will also be further improvement to member online safety by implementing Multi-Factor Authentication, which is the new security standard in the industry.

He moved on to say that members were asked to vote on two very important topics. The first topic being the acceptance of updated By-Laws and the second being the Directors Election. Voting was conducted in the branches over the past week and the results of the votes will be announced later in this meeting. By-Law changes were required to remain compliant with the new Credit Unions & Caisses Populaires Act 2020, and to allow the credit union to develop a more equitable dividend program that would allow the board to share a portion of the credit union's profits with members based on the amount of business they hold with Southwest. Glenn expressed his appreciation to our members and thanked them for trusting us to assist with their financial needs and for another successful year.

There were no questions or comments and Ben Dekker motioned approval of the Report of the Board of Directors and CEO. Dan Peters moved, and Chris Courtis seconded. Carried.

Ben called on Sherry Van Bilsen to give the Report of the Director of Sales and Service.

Sherry Van Bilsen presented the Report of the Director of Sales and Service. She started by saying that at the beginning of the year in November 2022 prime was sitting at 5.95% and continued to increase throughout the year to the current prime of 7.2%. She stated that the increased rates were needed to release the inflation pressures, but it continues to affect many Canadians with the cost of living rising quickly. The shelter costs are up 31% year over year and groceries are up 21% since 2021. It is expected that the jobless rate will rise throughout the year with unemployment rates currently at 5.7%. The home sales volumes in Ontario has dropped, but the cost of living is still a problem and has many worried about the future. She stated that we are in a tough phase in the monetary cycle. While inflation has come down somewhat, it is still too high. There is a possibility we will see a decrease in prime rate in Q2 of 2024. She stated that Southwest will continue to reach out to our members to offer support and guidance.

She continued on to say that most notably the residential mortgages showed a large increase at \$14,380,707, as well as the Commercial and Agricultural Mortgages that were up by \$6,487,342. She stated that we showed an increase in all areas with the exception of the Lambton Line II's and our Commercial and Agricultural Loans, which was a direct result of transferring variable balances over to fixed rate products. Delinquency was again kept under tight control, with there being one loan account over 30 days with a minimal

34TH ANNUAL MEETING MINUTES...Cont'd

January 23, 2024

amount for our year end. Three accounts were charged off for just over \$11,000 and there was \$1,200 recovered in bad debt collections. Sherry finished off by saying that Southwest had stayed competitive with excellent mortgage rates and focusing on building solid financial relationships. The credit union showed a fantastic year with an overall increase of \$19,692,540. Southwest will continue to work hard and strive for another successful year.

Ben called for approval of the Report of the Director of Sales and Service. There were no questions or comments. Wayne Freer moved and Donna Langford seconded. Carried.

Ben called on Rudy Fischer, Audit Committee Chairman, to give the Report of the Audit Committee.

Rudy Fischer, Audit Committee Chairman, presented the Report of the Audit Committee. This year's Audit Committee is comprised of Chris Courtis, Dan Peters, Rudy Fischer and Jim Maw and elected Rudy Fischer as Chair. Mr. Fischer explained the Committee's function at the Credit Union. The Committee met quarterly with a work plan to review and update all procedures as necessary and required. He stated that the Committee was proud to say once again that there were no significant findings to deal with or report to the membership although fraud and cyberattacks continue to be an issue in the market. The Committee is always investigating ways to defend against them. Rudy reported that we have a good working relationship with our Internal and External Auditors. There were no questions or comments.

Ben called for approval of the Report of the Audit Committee. Carl Thompson moved, and Chris Courtis seconded. Carried.

Ben called on Laura Poland of Baker Tilly to give the Report of the Auditors.

Laura Poland gave the Auditor's presentation to the membership. Laura stated that the audit report was conducted in accordance with the Canadian Auditing Standards. A Summarized Audit Report was provided to the membership with a full report available at each branch upon request. Laura summarized the Statement of Earnings for the year ending October 31, 2023. Laura explained the role of the Auditors, Staff and Board.

She commended Southwest on a successful year and that it was a pleasure to present such good results.

There were no questions or comments. Ben moved for approval of the Report of the Auditors. Peter Cliff moved and Wayne Freer seconded. Carried.

New Business

APPOINTMENT OF THE AUDITORS:

Ben Dekker stated that Staff and Board continue to have a good working relationship with its current External Auditors- Baker Tilly. A review process is in place to monitor the services provided to Southwest. The levels of services provided are formally reviewed by selected senior staff and the audit committee. Any concerns that are brought forward are openly shared with the auditors. No concerns were brought forward in the last review. The review process confirmed that the services being received are appropriate and that the required expertise is being provided. With this, the board recommends the appointment of Baker Tilly as Auditor for the fiscal year November 1, 2023, to October 31, 2024. There were no questions or comments and Ben motioned for approval. Wayne Freer moved and Rudy Fischer seconded. Carried.

DIRECTORS ELECTION:

Ben called on Laura Polland of Baker Tilly to present the results of the Directors Election.

Laura explained that the terms of the following Directors expired this year (2023): Ben Dekker, Wayne Freer and Rudy Fischer. All three directors confirmed their interest in putting their names forward for consideration to serve the membership for another 3-year term. One new candidate, Tracy Kingston, was nominated and added to the ballot. Therefore, with three Director positions available and four candidates on the ballot, a vote was held. The vote was held at the branches during the week of January 15th to January 19th, 2024. Laura stated that she attended as a scrutineer to count the ballots. Elected to a 3-year term as Directors of the Board of Southwest Regional Credit Union were Ben Dekker, Wayne Freer, and Tracy Kingston. Laura congratulated the three candidates and thanked Rudy for his contributions to Southwest.

BY-LAW ADDITIONS AND AMENDMENTS:

Laura Polland continued to present on the By-Law Additions and Amendments.

She stated that this year amended By-Laws were presented to members for approval. With the new Credit Unions & Caisses Populaires Act 2020, there were numerous updates required to the By-Laws to maintain compliance. In addition to those regulatory requirements, the board is also proposing amendments to enable Southwest to offer a more equitable member dividend program. The voting for these bylaws were also held in branch during the week of January 15th to January 19th, 2024. Laura stated that she attended as a scrutineer to count the ballots. The By-Laws require approval by two-thirds (2/3) of the voting members. Laura was happy to report that the new amended By-Laws of Southwest Regional Credit Union Ltd. have been unanimously approved by the members.

Other Business

Ben Dekker explained how each year Southwest Regional Credit Union supports the Co-Operative Young Leaders summer camp and that this year there were 2 sponsored members. He announced that Abbey, one of the members that was sponsored, was here today to make a short presentation. Abbey's presentation outlined her experiences at the camp and how she benefited from attending the camp. She encouraged others to find out how they too can become sponsored and attend the camp next year. Ben thanked her for sharing her experiences and was pleased to hear of the positive impact the camp made on her.

Ben then spoke about the 6th Annual Business Boost Bundle contest sponsored by CR Creative, Sarnia Lambton Business Development Corporation and Southwest Regional Credit Union. He explained how the contest was designed, how to qualify and the success of the contest. He explained that the contest had been expanded to combine our original Fund Your Hustle contest with SLBDC's "Win Your Space" contest and reaches a much larger audience in this new format. Ben congratulated the Winner of the contest – Emma Mallon with her "Save The Date" floral design and wedding décor business in Sarnia. There was a brief video presentation from Emma to show how she has been doing during her new business ventures.

Ben thanked Management, Staff and the Board for their support throughout the year. Ben called for adjournment of the 34th Annual General Meeting. Wayne Freer moved and Donna Langford seconded. Carried.

Ben announced the next Board meeting to be held on February 27, 2024, at 5:30 p.m.

The meeting ended at 6:52 p.m.



Chair of the Board of Directors



Secretary to the Board of Directors

REPORT OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER

January 21, 2025

We are excited to share another year of excellent results with you as we continue our focus on making Southwest Regional Credit Union the best financial partner for our loyal Members and the best employer we can be for our staff! Thank You to our Members for providing us with the opportunity to support you in the pursuit of your financial goals and to our staff for their hard work and significant contributions to another exceptional year! It is with great pride that we are able to report a broad cross-section of impressive results for Southwest's 2023- 2024 fiscal year. We achieved asset growth of \$20.5 Million (9.76%), reaching \$230 Million in Total Assets. Our off-book wealth portfolio grew to over \$30 Million, putting our total Assets Under Administration at \$260 Million. We generated \$10.96 Million (6.1%) in Credit portfolio growth and \$18.5 Million (10%) in Deposit growth. This strong growth, combined with careful control of expenses resulted in a net income of \$987,505! It also enabled your Board of Directors to declare a Member Dividend of \$100,000 that will be distributed to Members under our new Member Dividend Program so that you can share in the success and profitability of Southwest.

Throughout the year we were faced with a challenging economic environment with high levels of inflation, significantly increased food prices, rising unemployment and higher interest rates. Housing prices and rents in Ontario remained at record highs and affordability became a serious concern for everyone, as Canadians faced serious strains on their budgets.

Through it all we remained focused on our local communities and our Members. We are very proud to have awarded the 2nd annual Southwest Regional Credit Union Citizenship Awards that were presented to a deserving graduating student at each of our 6 local High Schools! Each school's Awards Committee selected a student that best exemplifies co-operative values and who contributes positively to the school environment and local community.

We once again supported the Co-Operative Young Leaders Program, which is designed to develop and recognize youth leadership, by sponsoring one of our young Members to attend the CYL Camp as a facilitator. We also awarded 10 Student Scholarships to Credit Union Members attending post-secondary education. And for the third year in a row special supplemental one-time donations totaling \$20,000 were made to two local groups, in addition to the usual broad cross-section of local charities supported throughout the year. This year Pathways and the Children's Treatment Centre in Chatham Kent were selected to receive these special donations. Both organizations provide critical support to children facing additional challenges in our local communities.

In 2024 we successfully launched our new online and mobile banking platform Forge 2.0, and we will continue to add features and improved functionality to this channel. Members can now open products by themselves directly online and we have added a new High Interest Savings Account to our product suite. We also installed new, state of the art ATM's at all four branches, adding \$US cash to the Exmouth location for cross border needs. We continue to work on the Member share restructuring in preparation for the implementation of Two-Factor Authentication, the new security standard for logging in to online banking.

And in our industry of heavy regulation and compliance requirements, we are pleased to report to the membership that Southwest received the best possible audit rating from our Provincial Regulator FSRA in this year's supervisory assessment. We were complimented on our strong growth, healthy balance sheet and low levels of risk. This was an exceptional accomplishment for the staff! We also complied with numerous requests from FSRA for significant volumes of data to be uploaded to them for their Enhanced Data Collection project.

REPORT OF THE BOARD OF DIRECTORS & CHIEF EXECUTIVE OFFICER

January 21, 2025

Member Survey results once again confirmed that we were meeting Member expectations. Overall satisfaction with our service delivery was rated at 8 out of 10 or better in 99% of the responses, and that you appreciated our friendly staff, their fast personal service, and our competitive rates! 100% of respondents said they would be happy to refer new Members to Southwest! Both of these key results are a testimony to the strong relationships being built with our Members! Thank you for this positive support! Please take the time to complete this year's survey which will be posted on our website and available in the branches.

We hope that you will continue to support us by referring your friends and family to Southwest so that we may continue to serve the local community. The Member Referral Program provides rewards to those who make referrals to Southwest. Ask staff for details about this program.

On behalf of the staff and Board of Directors I would like to express our appreciation to our Members for trusting Southwest Regional Credit Union to assist you with your financial needs! With that trust we once again achieved exceptional results in 2023-2024. Going forward, we will continue to work closely with our community and industry partners to build a stronger Credit Union so that we may continue to serve the local markets for many years to come. We look forward to working with you through another exciting year in 2025!

Respectfully Yours,



Ben Dekker
Board Chair



Glenn Wilson
Chief Executive Officer

Gender Diversity Report

The Board of Directors of Southwest Regional Credit Union Ltd. is currently composed of 2 female and 7 male Directors.

REPORT OF THE DIRECTOR OF SALES & SERVICE

January 21, 2025

On behalf of our Sales Department, I will report on the lending activity experienced throughout the year.

Prime steadily increased throughout the previous year in response to the Bank of Canada's efforts to control inflation. After a series of hikes, Prime settled at 7.20%. However, the reverse trend started in June 2024, and the Bank of Canada implemented 5 consecutive rate cuts, driven by slow economic growth and a rise in unemployment. Prime sits at 5.45% today which has provided much needed relief to borrowers, and further rate cuts are expected to come. Overall shelter costs, groceries and gas prices continue to affect many Canadians while unemployment in Ontario remains high at 6.8%. Sales volumes in Ontario have dropped, but we did see a surge in renewed activity after the rate cuts and with the further anticipated decreases in 2025, we expect it should spark buyer demand for the coming months. New CMHC rules have recently come into effect, but we are still seeing many of our young members unable to qualify for a mortgage with the current values.

We continue to support our members by reaching out and offering support and guidance. Our focus for Commercial and Agricultural business has always been within our local communities offering competitive rates and superior service. We welcome you to refer your friends and family as we maintain "people serving people". Let's continue to grow together!

Your loan department processed 232 loan applications, rejecting and deferring 59 requests, and making 173 new loans for \$3,829,076 new money. Your loan department processed 176 mortgage applications, rejecting and deferring 52, and booking 124 new mortgages for \$32,915,906 new money.

Staff maintained tight control of delinquent loans. At year-end, the Credit Union had no delinquent personal loans or mortgages that were more than 90 days past due. Total charge-off for 2023-2024 was 2 accounts for \$8,036.39 and Bad Debt collections for the year totaled \$3,618.50. Your credit union maintains adequate allowances for future loss exposure.

Respectfully Submitted,

2023-2024 Lending Activity	Increase (Decrease)
Personal Loans	\$1,395,025
Personal Lines of Credit	\$115,713
Lambton Line II (Secured Lines of Credit)	\$1,290,599
Residential Mortgages	\$5,540,874
Commercial and Agricultural Loans	\$209,977
Commercial and Agricultural Lines of Credit	\$131,805
Commercial and Agricultural Mortgages	\$2,285,003
TOTAL	\$10,968,996



Sherry Van Bilsen
Director of Sales & Service

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REPORT OF THE AUDIT COMMITTEE

January 21, 2025

The Audit Committee is elected each year by your Board of Directors. This year's Audit Committee is comprised of Chris Courtis, Dan Peters, Peter Cliff and Jim Maw. The Audit Committee has elected Dan Peters as Chair.

We meet at least 4 times a year as per regulations. Each year we develop a work plan for the year using advice from our Internal Auditor. We do this to ensure we are satisfying our regulatory requirements. It is our responsibility to ensure the Credit Union's adherence to policy and the requirements of our regulators. This is done to protect the investments of our members/owners. We work with the Internal and External Auditors and provide recommendations to the Board, who then makes the final decisions.

The Committee operates under the mandate of the Credit Unions and Caisses Populaires Act, 2020 to confirm financial reporting and oversee the work of Management & to monitor Operational Risk. Additional work includes reviewing audit findings and making sure appropriate controls are in place and followed to protect the assets of the Credit Union.

Fraud and cyber attacks continue to be a risk and we are always investigating ways to defend against them. The Audit Committee has worked closely with Management to ensure appropriate adjustments are made to operations and controls ensuring Southwest Regional Credit Union remains stable and viable for the long term. The Audit Committee has worked well with our Auditors throughout the year. We are proud to say once again that the Audit Committee has found nothing materially important in our findings to report to the membership.

We would like to on behalf of The Audit Committee congratulate Glenn and his staff on delivering outstanding growth and results this year.

On behalf of the Audit Committee,



Dan Peters

Audit Committee Chair

SOUTHWEST REGIONAL CREDIT UNION SUPPORTS LOCAL COMMUNITIES AND OUR MEMBERS

Below are a few of the groups supported in 2023-24!

- Pathways Sarnia
- Children's Treatment Centre
Foundation of Chatham-Kent
- Wyoming Christmas for Everyone
- The Inn of the Good Shepherd
- Ohana Landing
- Mom's Baby Cupboard
- Parkway Church Program
- Lion's Golf Wyoming
- Sarnia Kinsmen Ribfest
- Matt Cousins Memorial Golf
- Brian Lee Memorial
- 4-H Awards Wyoming
- Sarnia Street Machines
- Mitchell's Bay Marina Park
- Petrolia Optimists
- Rotary Club Auction
- Wyoming Tractor Pull
- John Knox Golf
- Sir John Moore School -
Before & After Program
- St. Joseph's Hospice
- Wallaceburg Youth Baseball
- Wyoming Youth Baseball



Pathways Donation - \$15,000.00



Children's Treatment Centre of Chatham Kent - \$5,000



BBQ - Wyoming Location



BBQ - Exmouth St. Location



2024 Santa Claus Parade



We celebrated our 85th Anniversary with cake...



...and a visit from local dignitaries MP Marilyn Gladu,
MPP Bob Bailey, and Sarnia Mayor Mike Bradley!



...and Chatham Mayor Darrin Canniff!

Southwest Regional Credit Union is pleased to announce the 2024 Scholarship Award Program Winners! This year Southwest awarded a total of TEN scholarships of \$1,000 to deserving Members continuing their post-secondary education!



Ruby Core
University of Guelph
Creative Arts, Health,
and Wellness



Tecla Gerrits
Brock University
Bachelor of Science
in Nursing (BScN)



Mischa Lewis
Brock University
Labour Studies



Gibson Cook
University of
Western Ontario
Bachelor of Arts



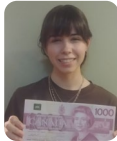
Erin Wilson
Western University
Social Sciences –
Psychology



Morgan Mallette
Ontario Tech University
Bachelor of Health
Science (Hons)



Pavla Gerrits
University of Guelph
Animal Biology



Jenna Wilson
University of
Western Ontario
Nursing (BScN)



Conor Jones
Wilfrid Laurier
University
Kinesiology



Miah Pintus
Fanshawe College
Architectural
Technology



Wallaceburg District Secondary School
Citizenship Award



Great Lakes Secondary School
Citizenship Award



Northern Collegiate Institute & Vocational School
Citizenship Award



Alexander MacKenzie Secondary School
Citizenship Award



Lambton Central Collegiate & Vocational School
Citizenship Award



Sydenham Challenge Dragon Boat Festival

Southwest Regional Credit Union Ltd.

INDEPENDENT AUDITOR'S REPORT AND SUMMARIZED FINANCIAL STATEMENTS

October 31, 2024

Independent Auditor's Report

To the Members of Southwest Regional Credit Union Ltd.

Opinion

The summary financial statements, which comprise the summary balance sheet as at October 31, 2024, the summary statement of earnings and summary statement of comprehensive earnings and members' equity for the year then ended, and related notes, are derived from the audited financial statements of Southwest Regional Credit Union Ltd. for the year ended October 31, 2024. In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1.

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 Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated December 17, 2024.

Responsibilities of Management for the Summarized Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditor's Responsibilities for the Audit of the Summary Financial Statements

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.



Chatham, Ontario
December 17, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

SUMMARIZED STATEMENT OF EARNINGS

Year Ended October 31, 2024

	2024	2023
REVENUE		
Interest from personal loans	\$ 450,104	\$ 362,725
Interest from mortgage loans	6,018,762	5,054,251
Interest from commercial loans	1,800,114	1,436,276
Interest from agriculture loans	791,204	682,464
Interest from investments and short-term deposits	1,029,935	874,145
Service charges	878,836	823,541
Other revenue	1,525	2,158
	<u>10,970,480</u>	<u>9,235,560</u>
INTEREST EXPENSE		
Interest on term deposits	2,235,782	1,303,235
Interest on demand deposits	396,514	249,519
Interest on Registered Retirement Savings Plans	685,722	448,900
Interest on Registered Retirement Income Funds	459,293	277,352
Interest on Tax Free Savings Accounts	928,693	530,161
Interest on First Home Savings Accounts	4,902	268
	<u>4,710,906</u>	<u>2,809,435</u>
FINANCIAL MARGIN	<u>6,259,574</u>	<u>6,426,125</u>
EXPENSES		
Administrative	850,278	773,848
Occupancy	612,849	605,701
Salaries and benefits	2,816,914	2,680,177
Computer and network fees	625,610	595,079
	<u>4,905,651</u>	<u>4,654,805</u>
EARNINGS BEFORE INCOME TAXES AND DISTRIBUTION TO MEMBERS	<u>1,353,923</u>	<u>1,771,320</u>
DISTRIBUTION TO MEMBERS		
Interest rebate	(1,067)	11,410
Dividends to members	99,975	35,438
	<u>98,908</u>	<u>46,848</u>
EARNINGS BEFORE INCOME TAXES	<u>1,255,015</u>	<u>1,724,472</u>
INCOME TAXES		
Current	214,710	413,570
Deferred	52,800	(61,922)
	<u>267,510</u>	<u>351,648</u>
NET EARNINGS	<u>\$ 987,505</u>	<u>\$ 1,372,824</u>

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME AND MEMBERS' EQUITY

Year Ended October 31, 2024

	2024	2023
Net earnings for the year	\$ 987,505	\$ 1,372,824
Other comprehensive income (loss):		
Unrealized gains on available-for-sale financial assets arising during the year	434,850	199,699
Income tax effect	<u>(115,235)</u>	<u>(52,920)</u>
Other comprehensive income	<u>319,615</u>	<u>146,779</u>
Comprehensive income	<u>\$ 1,307,120</u>	<u>\$ 1,519,603</u>
CONTINGENCY RESERVE		
Balance, beginning of the year	\$ 23,750,777	\$ 22,377,953
Net earnings for the year	<u>987,505</u>	<u>1,372,824</u>
Balance, end of the year	<u>\$ 24,738,282</u>	<u>\$ 23,750,777</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of year	\$ (188,323)	\$ (335,102)
Other comprehensive income for the year	<u>319,615</u>	<u>146,779</u>
Balance, end of year	<u>\$ 131,292</u>	<u>\$ (188,323)</u>

SUMMARIZED BALANCE SHEET

Year Ended October 31, 2024

	2024	2023
ASSETS		
Cash and marketable securities	\$ 20,596,875	\$ 11,787,495
Investments	12,677,245	11,944,646
Loans to members		
Personal	6,973,902	5,304,650
Mortgage	123,165,637	117,654,912
Home Equity Line of Credit	14,797,046	13,516,823
Commercial	28,291,685	27,418,009
Agricultural	17,544,903	15,903,031
Capital assets	5,837,236	5,771,506
Other assets	<u>870,817</u>	<u>934,342</u>
	<u>\$ 230,755,346</u>	<u>\$ 210,235,414</u>
LIABILITIES		
Members' deposits	\$ 202,662,590	\$ 184,197,135
Other liabilities	3,074,317	2,327,400
Members' share capital	<u>148,865</u>	<u>148,425</u>
	<u>205,885,772</u>	<u>186,672,960</u>
MEMBERS' EQUITY		
ACCUMULATED OTHER COMPREHENSIVE	131,292	(188,323)
CONTINGENCY RESERVE	<u>24,738,282</u>	<u>23,750,777</u>
	<u>24,869,574</u>	<u>23,562,454</u>
	<u>\$ 230,755,346</u>	<u>\$ 210,235,414</u>

ON BEHALF OF THE BOARD



Director



Director

NOTE TO SUMMARIZED FINANCIAL STATEMENTS

Year Ended October 31, 2024

1. APPLIED CRITERIA IN THE PREPARATION OF THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements are derived from the audited financial statements, prepared in accordance with International Financial Reporting Standards, as at October 31, 2024 and October 31, 2023 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

The criteria applied by management in the preparation of these summary financial statements are as follows:

- a) Commencing with the 2014 fiscal year, management has adopted the International Financial Reporting Standards (IFRS);
- b) the information in the summary financial statements is in agreement with the related information in the complete financial statements;
- c) a summary statement of cash flows has not been presented, as the relevant information can be obtained from the complete financial statements; and
- d) the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete financial statements, including the notes thereto.

The audited financial statements are available upon request by contacting the credit union.



Southwest

REGIONAL CREDIT UNION

— *Serving People with People Since 1939*

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