



WILLIAMS LAKE
— AND DISTRICT —
CREDIT UNION

2021 Annual Report



Advancing cooperative
values by putting
people before profits

REPORT FROM THE BOARD CHAIR

I believe it is important to begin this Annual Report with a word of appreciation to you, our member. ***Thank you for being the key piece of Williams Lake and District Credit Union.*** Our jointly owned financial co-operative is nothing without the coming together of all our various members, in all our various communities. In this strange world we call home we continue to join together voluntarily to meet our common economic, social and cultural needs and aspirations. This is a fine example of “localness” and “community”, while thriving in a global and big world.

While 2021 turned out to be another challenging year for us all, our Credit Union continued to achieve positive earnings, strengthened both our capital and liquidity positions, and were able to declare a 4% dividend on your membership shares.

Your Credit Union was not immune to the many external forces that affected 2021. We continued to navigate our way through the COVID-19 pandemic, the associated necessary changing mandates, the low interest rate environment, stressed global relationships, horrific news from our neighbors relating to children and residential schools, supply chain issues, climatic events, and road / bridge washouts in our province. Despite all this, the Credit Union's year was positive and built upon the foundations laid in previous years. Not easy, but positive.

I know that all members will join me in expressing a deep appreciation of all our staff. Your dedication and care for the members, each other, and our communities is positive, appreciated and noticed. Thank you so much!

Your Board of Directors continues to evolve and experience natural turnover. This is positive and creates opportunities for the board to hear from different voices and experiences. Director Donna Mikkelsen will be stepping down from the board as Donna's latest term expires at the end of the upcoming annual general meeting. Donna has so faithfully, diligently, and positively served your Credit Union over the years. First as a director of Bella Coola Valley Credit Union, through the merger into Williams Lake and District Credit Union in 1998, and continuously through to 2022. Donna's concern for the members and insightful input into discussions will be missed. I encourage you to read the Director's biographies that appear later in this report and reach out to your neighbors that serve in this way.

As we move through 2022 and beyond, I encourage all of us to remain positive, stay local while thinking global, be kind, and seek to build (or rebuild) relationships.

Erik Zwiers
Board Chair

REPORT FROM THE CHIEF EXECUTIVE OFFICER

At the start of 2021 we fully expected the global pandemic to end during the year. The virus had other plans, which required the Credit Union to be nimble and adapt to a variety of new safety measures issued by the Provincial Health Services Authority. Two branches had employees test positive for COVID-19. In both cases the Health Ministry was consulted. One branch was closed for one day, the other branch remained open with a reduced staff compliment. The rapid response procedures contained the spread of the virus to staff or members.

The financial results showed strong resilience in the face of the pandemic. Your Board of Directors declared a 4.00% dividend on Member Shares. Earnings contributed \$742,490 to the capital base for growth in capital of 5.04%. The capital adequacy ratio increased from 16.85% to 17.15%. Member deposits increased by \$43,442,763 or 12.28% and contributed to an increase in the liquidity ratio from 31.82% to 36.15%.

The Credit Union's legacy online banking system is scheduled to be sunset. Conversion plans to a new system were finalized and implemented in 2021. Thank you to all the members for their patience and understanding during the conversion. The new online banking system has positioned the Credit Union to deliver the emerging technical innovations and will help serve members well into the future.

Thanks to all the staff and directors for working together to help keep our staff, members, and community safe during the pandemic. They showed a lot of creativity and dedication in the face of adversity. I'm very proud to be part of the credit union family and know that we have what it takes to face whatever adversity might come our way. A special thanks to the members for their patience and understanding as we navigated through this past year.

Jim Zimmerman
Chief Executive Officer

COMPENSATION PHILOSOPHY

Williams Lake and District Credit Union's compensation philosophy is to provide performance-based compensation that is equitable in its market while balancing internal fairness, subject to affordability. The Credit Union policy is designed to provide a total compensation package (cash and non-cash benefits) that will attract, retain, and motivate its valued and committed staff. This compensation mix will be designed taking into consideration compensation philosophy, the external market, internal equity, economic and operating realities, and the Credit Union's ability to pay.

MANAGEMENT TEAM

Jim Zimmerman
Chief Executive Officer

Daryl Cyr
Manager, Enterprise Risk and Compliance

Craig Glover
Manager, Financial Planning

Nolan Hill
VP Operations

Charles Newberry
Manager, Human Resources

Rose Swain
Manager, Accounting and Centralized Services

Heather Callender
Branch Manager, Williams Lake

Shawna Norton
Branch Manager, 100 Mile House

Kelly Svendson
Branch Manager, Bella Coola Valley

The Williams Lake and District Credit Union Board of Directors is responsible for authorizing and monitoring the compensation of the CEO. This is an area of responsibility to which the Board pays particular attention.

In 2012, in consultation with Central 1 Credit Union, the Credit Union developed a CEO compensation philosophy. It was determined that the Credit Union would target the 75th percentile of compensation of like-sized credit unions across Canada, with a particular focus on the British Columbia market. The Canadian Credit Union Executive Compensation Survey is reviewed annually to assess the CEO's compensation against this target.

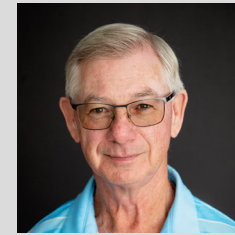
To ensure that the CEO is performing to the level required, the Credit Union's Governance Committee annually undertakes a CEO evaluation process which is linked to compensation levels. As part of this process, the CEO's performance during the previous year is assessed in the first quarter of the following year. Additionally, goals for the CEO are established for the upcoming year.

The Williams Lake and District Credit Union Board of Directors has determined that this CEO compensation philosophy will ensure that the Credit Union is capable of meeting its strategic goals.

MEET YOUR BOARD OF DIRECTORS



Sandra Byun



Bill Collins



Crystal Hoelzler



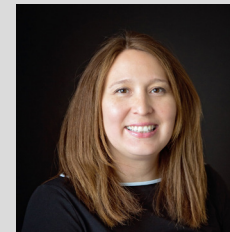
Linda Martens



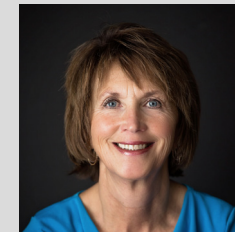
Donna Mikkelsen



Surinderpal Rathor



Crystal Verhaeghe



Karen Weightman



Erik Zwiers

The Credit Union's Board, nine directors elected from the Credit Union membership, is responsible for setting the Credit Union's strategic direction and priorities.

It is vital that all Directors understand and promote good governance practices within the Credit Union. Newly elected Directors are required to complete a mandatory *Foundations of Governance* training program within the first year of their tenure. All Board members can access continuing education in a variety of relevant topics on an individual basis. The *Board of Directors Terms of Reference* specifies a minimum annual education requirement for individual Directors. In 2021, all Directors met or exceeded that requirement.

MEET YOUR BOARD OF DIRECTORS

SANDRA BYUN

Williams Lake and District Credit Union Director since 2021

Sandra moved to Bella Coola in 2014 and enjoys hiking, camping and spending time in the beauty and nature surrounding the community. Sailing on her partner's sailboat and exploring the lakes of the Chilcotin are two of Sandra's favorite pastimes. She worked at the Williams Lake and District Credit Union Bella Coola Valley Branch before starting at the Central Coast Regional District where she is now the Chief Finance Officer.

Sandra completed the required Level A modules and attended one Continuing Education course offered through the Credit Union Director Achievement program in 2021. She looks forward to furthering her learning as a Director which will in turn make her better at her day job.

BILL COLLINS

Williams Lake and District Credit Union Director since 2021

Bill retired in 2015 after nearly forty years working in the credit union system and returned to Williams Lake in 2019 so that he and his spouse could be closer to family and friends. Working within the credit union system allowed him to gain hands-on experience in the areas of governance, strategic planning, anti-money laundering legislation, privacy, and the legislation governing the day-to-day operation of a credit union. Bill feels that serving on the Williams Lake and District Credit Union Board of Directors will give him a chance to give back to the credit union system. He commenced a one-year term at the close of the AGM. In 2021, Bill completed the required Level A modules and attended two Continuing Education courses offered through the Credit Union Director Achievement program.

Bill's volunteer resume includes time with Rotary, Chamber of Commerce, and various golf clubs. He volunteered for the BC Winter Games in Williams Lake (2002), and Kamloops (2018) and now that he is retired, he spends a considerable amount of time on the golf course.

MEET YOUR BOARD OF DIRECTORS

CRYSTAL HOELZLER

Williams Lake and District Credit Union Director since 2020

Crystal is a former esthetician with a big passion for people. Experience in the service industry, including being a gym owner and fitness instructor, makes being a Director on this community-minded board a great fit. Crystal has lived in Williams Lake almost all her life, knows it is a great place to raise a family, and wants to see it flourish. Her love of personal and professional growth led to her certification in Enneagram Coaching and starting her own business, Crystal's Enneagram Space, in 2021. She is excited to work with individuals looking for personal growth, stronger relationships, or more cohesive working groups. In 2021, Crystal attended three Continuing Education courses offered through the Credit Union Director Achievement program.

Crystal chaired the Strategic Planning Committee in 2021.

LINDA MARTENS

Williams Lake and District Credit Union Director since 2019

Linda is a School District 27 Trustee, Membership Chair for Royal Canadian Legion Branch 261 (Forest Grove) and a Regional Mentor for the BC Community Response Networks. Linda resides in 100 Mile House and has been a member of the Credit Union since 2015. In 2021, Linda attended three Continuing Education courses offered through the Credit Union Director Achievement program.

Linda chaired the Conduct Review Committee in 2021.

DONNA MIKKELSON

Williams Lake and District Credit Union Director since 1998

Donna is the retired Chief Financial Officer for the Central Coast Regional District and is still under contract as a financial services provider. She resides in the Bella Coola Valley. Donna also serves as administrator for an improvement district. Donna served on the Board of the Bella Coola Valley Credit Union prior to its acquisition by Williams Lake and District Credit Union in 1998. During her tenure with Williams Lake and District Credit Union she has served on the majority of the Credit Union's board committees and has chaired the Audit, Human Resources, Nominating and Strategic Planning Committees. Donna holds a Leadership Development Certificate from Camosun College and completed the Credit Union Director Achievement program in 2010. In 2021, Donna attended three Continuing Education courses offered through the Credit Union Director Achievement program. She is a past member of the Government Finance Officers Association of BC.

Continued on page 10.

2021 BOARD AND COMMITTEE MEETING ATTENDANCE AND COMPENSATION

Director	Board Meetings Attended	Committee Meetings Attended	Total Remuneration Paid for Year	Total Expenses / Training Paid for Year
Sandra Byun	6 of 6		\$2,081	\$1,652
Bill Collins	6 of 6	1 of 1 Enterprise Risk Management	\$2,956	\$1,726
Crystal Hoelzler	10 of 10	4 of 4 Audit 3 of 3 Nominating 3 of 3 Strategic Planning	\$3,734	\$956
Leanne Macnair	3 of 4	1 of 1 Governance	\$1,464	\$250
Cynthia Khonje	4 of 4	2 of 2 Audit	\$1,040	\$314
Linda Martens	10 of 10	5 of 5 Conduct Review 5 of 6 Investment and Lending 1 of 1 Nominating 3 of 3 Strategic Planning	\$4,171	\$1,080
Donna Mikkelson	10 of 10	7 of 7 Audit 6 of 7 Governance 1 of 1 Nominating 3 of 3 Strategic Planning	\$3,296	\$1,484
Surinderpal Rathor	10 of 10	5 of 5 Conduct Review 1 of 1 Enterprise Risk Management 6 of 6 Investment and Lending 3 of 3 Nominating	\$4,747	\$956
Crystal Verhaeghe	9 of 10	7 of 7 Audit 6 of 7 Governance 1 of 1 Nominating	\$3,872	\$1,249
Karen Weightman (Board Vice-Chair)	10 of 10	5 of 5 Conduct Review 6 of 6 Governance 2 of 2 Investment and Lending 3 of 3 Nominating	\$4,564	\$1,555
Erik Zwiers	10 of 10	6 Audit (ex officio member) 4 Conduct Review (ex officio member) 1 of 1 Enterprise Risk Management 7 of 7 Governance 6 of 6 Investment and Lending 3 Nominating (ex officio member) 2 Strategic Planning (ex officio member)	\$5,618	\$1,193

Notes:

- 2021 Annual Remuneration Rates: Board Chair - \$5,618 Vice-Chair - \$3,641 Director - \$3,121
- The Chairs of the Audit, Governance and Investment and Lending Committees receive \$750 annual differential payment
- All remuneration is prorated to actual months of service during the year

SURINDERPAL RATHOR

Williams Lake and District Credit Union Director since 2018

Surinderpal retired from Tolko Industries Ltd. as a certified journeyman electrician after serving for 46 years. He resides in Williams Lake and has been a member of the Credit Union since 1989. Surinderpal holds a Bachelor of Arts degree with majors in Political Science, English, and Military Science, and an honours degree in Political Science. In 2021, he attended three Continuing Education courses offered through the Credit Union Director Achievement program.

Surinderpal is familiar to many because of his 21 years as a Williams Lake City Councilor. He has been an active volunteer throughout his life, serving on a variety of boards including the Cariboo Memorial Hospital Board, the Guru Nanak Sikh Temple, and the Williams Lake Museum and Historical Society. Surinderpal has been involved with the Canadian Volunteer Income Tax Preparation Program since 1975 and has been the Williams Lake and District program coordinator for over 20 years.

Surinderpal chaired the Investment and Lending Committee and the Enterprise Risk Management Committee in 2021.

CRYSTAL VERHAEGHE

Williams Lake and District Credit Union Director since 2014

Crystal owns Emoda Design which provides consulting services. Crystal is a Tâilhqot'in citizen from the community of ?Esdilagh/Alexandria and resides in Williams Lake.

Crystal has been a member of the Credit Union since 2010. During her tenure with Williams Lake and District Credit Union Crystal has served on the majority of the Credit Union's board committees. Crystal holds an Executive Master of Business Administration (UNBC), a Senior Management Certificate (BCIT) and a Small Business and Entrepreneurship Degree (Mt. Royal University). Crystal graduated from the Credit Union Director Achievement program in 2018 and became an Accredited Canadian Credit Union Director later the same year. Maintaining accreditation requires annual continuing education. In 2021, Crystal completed two Continuing Education courses offered through the Credit Union Director Achievement program.

Crystal chaired the Audit Committee in 2021.

KAREN WEIGHTMAN

Williams Lake and District Credit Union Director since 2017

Karen retired from her position as sales consultant and technology expert at Central GM in September 2018 and is enjoying her hobbies and looking forward to more travel. Karen resides in the 100 Mile House area and has been a member of the Credit Union since 1992. Karen enjoys continuing education and has achieved a real estate certificate from UBC, a tourism management certificate from Capilano College, and a vehicle salesperson certificate from the Vehicle Sales Authority of BC. Karen has extensive business, marketing, sales, management, and facilitation experience from a diverse work history. In 2021, Karen completed three Continuing Education courses and one Continuing Education webinar offered through the Credit Union Director Achievement program.

Karen is Vice-Chair of the Board of Directors and chaired the Governance Committee and the Nominating Committee in 2021.

ERIK ZWIERS

Williams Lake and District Credit Union Director since 2011

Erik has over 35 years of business experience and is an owner, president, and operator of Papyrus Printing Ltd., a successful family owned and operated commercial printing company with physical locations in Williams Lake and Prince George, primarily serving Northern BC and the Cariboo-Chilcotin-Coast regions since 1977. Erik resides in Williams Lake and has been a member of the Credit Union since 2004. Erik holds a Bachelor of Technology degree (Graphic Arts Management 1985) from Ryerson Polytechnic Institute (now Ryerson University).

Erik has served on the majority of the Credit Union's board committees and has served as Board Vice-Chair, Chair of the Audit Committee, Chair of the Investment and Lending Committee, and Chair of the Nominating Committee. Erik attended two Continuing Education courses and completed the required Level B module to attain graduate status from the Credit Union Director Achievement program in 2021. Prior to moving to Williams Lake Erik served as Director of Prince George Savings Credit Union (now Integris Credit Union) from 1996 to 2002. Erik has served and volunteered with many community groups over the years ranging from Rotary Clubs, chambers of commerce, church boards, and minor sports associations.

Erik has been Chair of the Board of Directors since May 2019.

Each year a portion of the Credit Union's earnings are placed into retained earnings to ensure that the Credit Union's capital levels are sufficient to support its planned operations.

Cooperative Principle #3, Member Economic Participation, notes that members contribute to the capital of their cooperative. This is accomplished through the purchase of shares in the Credit Union. The principle also notes that a portion of the cooperative's earnings may be distributed to members. Each year, Credit Union management considers the financial position of the Credit Union and makes a recommendation to the Board of Directors with respect to the level of dividends which may be paid on its members' shares. Based on the Credit Union's financial position on December 31, 2021, a dividend of 4%, based on the average quarterly minimum balance of members' equity share accounts, was declared.

The Credit Union invests in its local communities in the form of monetary assistance and staff time and expertise. Any donation made by Williams Lake and District Credit Union shall be deemed to have a tangible benefit to the members of Williams Lake and District Credit Union and/or its communities as a whole.

In 2021, the Credit Union provided approximately \$53,385 to support various local community activities.

While pandemic-related restrictions caused the cancellation of many community events and limited opportunities for staff to provide volunteer hours in 2021, our Credit Union remained committed to service to the community and undertook volunteer opportunities which could be done in a safe and "socially distanced" manner.

As in previous years, the Credit Union supported graduating high school students in the form of bursaries. In 2021, six deserving students were awarded bursaries totalling \$6,500.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Williams Lake and District Credit Union:

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2021, and the summary consolidated statements of comprehensive income, changes in members' equity, and cash flows for the year then ended, are derived from the audited consolidated financial statements of Williams Lake and District Credit Union (the "Credit Union") for the year ended December 31, 2021.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited consolidated financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 16, 2022.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements.

Auditor's Responsibility

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

Abbotsford, BC
February 16, 2022

MNP
LLP

Chartered Professional Accountants

SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

Williams Lake & District Credit Union

Summarized Consolidated Statement of Financial Position

In CDN\$

For the year ended December 31, 2021	2021	2020
Assets		
Cash and cash equivalents	31,518,452	59,208,612
Investments	110,676,042	51,065,681
Member loans receivable	269,545,645	256,936,437
Income taxes receivable	-	106,652
Accounts receivable and prepaid expenses	515,041	419,082
Property, plant and equipment	3,273,547	2,376,239
Intangible assets	586,222	551,186
Deferred tax assets	88,000	145,000
	416,202,949	370,808,889
Liabilities		
Member deposits	397,130,548	353,687,785
Income taxes payable	4,745	-
Trade payables and accrued liabilities	905,336	832,079
Lease liability	1,223,743	107,214
Member shares	1,454,118	1,439,842
	400,718,490	356,066,920
Members' Equity		
Retained earnings	15,484,459	14,741,969
	416,202,949	370,808,889

Summarized Consolidated Statement of Financial Position

In CDN\$	2021	2020
Interest income		
Member loans	8,647,964	9,530,499
Investments	600,018	830,987
	9,247,982	10,361,486
Interest expense		
Member deposits	2,460,750	3,438,644
Borrowings	18,341	20,124
	2,479,091	3,458,768
Financial margin before provision for loan impairment	6,768,891	6,902,718
Provision for loan impairment	202,671	375,469
Financial margin	6,566,220	6,527,249
Other income	2,711,304	2,248,840
Financial margin and other income	9,277,524	8,776,089

SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

In \$CDN	2021	2020
Operating expenses		
Administrative expenses	2,908,598	2,834,113
Occupancy expenses	352,423	349,505
Salaries and employee benefits	4,977,727	4,734,405
	8,238,748	7,918,023
Income from operations before members' distribution and income taxes	1,038,776	858,066
Members' distribution	54,782	54,005
Income before income taxes	983,994	804,061
Provision for (recovery of) income taxes		
Current	184,504	179,711
Deferred	57,000	(87,000)
	241,504	92,711
Comprehensive income	742,490	711,350

Summarized Consolidated Statement of Changes in Members' Equity

In \$CDN	Retained Earnings
Balance, December 31, 2020	14,741,969
Comprehensive income	742,490
Balance, December 31, 2021	15,484,459

Summarized Consolidated Statement of Cash Flows

In \$CDN	2021	2020
Cash Flows provided by (used for)		
Operating activities	1,388,102	1,386,186
Financing activities	43,692,355	36,416,170
Investing activities	(72,770,617)	(21,837,717)
Increase (decrease) in cash and cash equivalents	(27,690,160)	15,964,639
Cash and cash equivalents, beginning of year	59,208,612	43,243,973
Cash and cash equivalents, end of year	31,518,452	59,208,612

On behalf of the Board

Erik Zwiers
Director

Crystal Verhaeghe
Director

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



WILLIAMS LAKE
AND DISTRICT
CREDIT UNION

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