

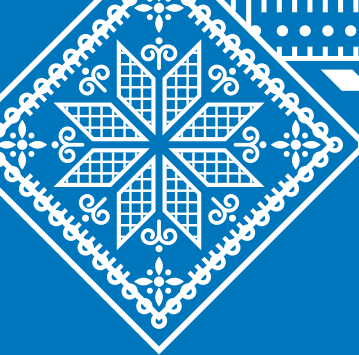


CARPATHIA
CREDIT UNION
КАРПАТІЯ

20 21

ANNUAL
REPORT





VISION

To be a financial institution of excellence supporting our Ukrainian and extended community.

MISSION

To ensure financial sustainability by providing responsive and relevant financial services for the communities we serve and by building prosperous and lasting relationships with our members, partners, and staff.

VALUES

> *Respect*

We demonstrate honesty, fairness, care and compassion in everything we do, and everyone with whom we interact.

> *Integrity*

We honour our commitments, and will always do what is collectively right for our business, employees, and members.

> *People*

We work with all stakeholders cooperatively to ensure meaningful participation and collaboration.

> *Accountability*

We demonstrate exemplary stewardship over the finances with which we are entrusted. We are committed to our members' and organization's prosperity

> *Community*

We strive to be an integral part of those communities we exist within and serve. Our commitments to these communities are paramount to our success.

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CHAIRMAN'S REPORT

As I write this Chairman's message to the members of Carpathia Credit Union, I write it during a time of world upheaval. Ukrainians living in Ukraine are being invaded and are under attack by an evil force. Ukrainians living in the worldwide diaspora are abhorred with the lawless and unprovoked attack by this evil force. Freedom loving people throughout the globe are feeling threatened and are condemning this evil force. Sadly the inhuman brutality of the evil force continues.

The bravery and determination of Ukrainian women, children, and men serve as a beacon of light in this dark time of the history of the world. They are risking everything in order to protect their freedom and our identity. They are living the Ukrainian national anthem, which recounts that Ukrainians will lay down their souls and bodies if necessary to protect their freedom. In actual fact they are also protecting our freedom. Freedom should be an entitlement for all people in the world. Those of us who live in Canada are fiercely proud of our freedom. The horrific events of today, however, are a stark reminder of the reality that freedom is a privilege which must be protected at all costs. We stand with the people of Ukraine.

It is the responsibility of Ukrainians in the diaspora to do all that we can in order to uphold our collective belief in freedom. Now is the time to stand together and to create a force which will defeat the force of evil.

We pray to the Good Lord to bless the citizens of Ukraine and to protect them from harm.

Glory to Ukraine. Glory to the Heroes.

Dr. Taras Babick

CHAIRMAN

A handwritten signature in cursive script that reads "T. Babick".



ЗВІТ ГОЛОВИ

Ставши писати членам Кредитової Співки Карпатія це слово голови, я пишу його в час світового зрушення. Українці, що живуть в Україні переживають окупацію і атаки злою силою. Українці, що живуть у всесвітній діяспорі почувають відразу перед незаконною і неспровокованою атакою цієї злої сили. Свободолюбні люди по цілому світі почувають себе під загрозою і засуджують цю злу силу. Прикро, що нелюдська брутальність цієї злої сили продовжується.

Хоробрість і рішучість українських жінок, дітей і чоловіків є джерелом світла в цьому темному періоді історії світу. Вони ризикують усім, щоби захистити свою свободу і нашу ідентичність. Вони уособлюють український національний гімн, який розповідає, що українці віддадуть свою душу й тіло, якщо потрібно, щоби захистити свою свободу. В дійсності вони також охороняють нашу свободу. Свобода повинна бути правом всіх народів світу. Ті з нас, що живуть у Канаді сильно гордимось нашою свободою. Жахливі події сьогодні, однак, є ніким не прикрашеною пригядкою тієї дійсності, що та свобода є привілеєм, який треба охороняти за всяку ціну. Ми єднаємося з населенням України.

Відповідальністю українців діяспори є робити все, що ми можемо, щоби підтримати нашу колективну віру в свободу. Тепер є час стояти разом і створити силу, яка поборе силу зла.

Молимо Доброго Господа побагословити громадян України та охоронити їх від зла.

Слава Україні! Героям слава!

Д-р Тарас Бабух

ГОЛОВА



CEO'S REPORT

It goes without saying that 2021 was a very challenging year for not only Carpathia Credit Union, but Manitoba as a whole. Against the backdrop of a global pandemic, our entire Carpathia team rallied and showcased our key values of respect, integrity, people, accountability, and community. The health and well-being of our team and our members will continue to be amongst our top priorities as we work within the provincial guidelines and navigate a community that is easing restrictions.

During the 2021 fiscal year we focused on ways to carry out our mission of ensuring financial sustainability by providing responsive and relevant financial services for the communities we serve and by building prosperous and lasting relationships with our members, partners, and staff, all while staying in line with provincial restrictions, and being adherent to social distancing protocols. We worked on keeping operating costs down, and as always, strived at not passing on any related expenses to our membership. By doing this we accomplished a modest profit of \$257,241 before taxes. With competitive interest rates being difficult to match at times, we remained focused on meeting our responsibilities to support the long-term strength and prosperity of the people and communities we serve. This is true at the corporate level with our commitment to sustainability and our support for social and economic development, as well at the individual level, where our team members give back, day in and day out.

Despite the logistical challenges of navigating social functions during a pandemic, community support initiatives have remained a priority within Carpathia Credit Union, and over the past year \$100,000.00 has been donated to various organizations. These funds allow organizations to showcase the vibrance of our community's spirit and culture, which makes me incredibly proud to be Ukrainian and the CEO of this great organization.

I am looking forward to working more closely with our community, our members and staff in 2022 as we focus on a more in-depth member experience, and a holistic advice-based approach to help move our members financial well being forward.

Candace Martyszenko

CHIEF EXECUTIVE OFFICER

A handwritten signature in blue ink, reading "C Martyszenko". The signature is written in a cursive style and is positioned below the printed name and title.



ЗВІТ ГВУ

Нема сумніву, що 2021 рік був дуже вимогливим роком не тільки для Кредитової Спілки Карпатія, але для Манітоби в цілості. На фоні глобальної пандемії, наша команда Карпатії всеціло об'єдналася і продемонструвала свої ключеві цінності поваги, поваги до чесності, до людей, до звітності, і до громади. Здоров'я і добробут нашої команди і наших членів надалі будуть між нашими головними пріоритетами працюючи згідно з провінційними директивами та даючи напрям громаді, що звільняється від обмежень.

Під час фінансового року 2021 ми зосередилися над засобами, як виконати нашу місію забезпечувати фінансову стабільність постачати чуйні і релевантні послуги громаді якій ми служимо та будувати успішні і тривкі взаємини з нашими членами, партнерами, і персоналом, ввесь час не виходячи поза провінційні обмеження, і дотримуючися протоколу соціальної дистанції. Ми старалися не підвищувати оперативні кошти, і як завжди, намагалися не передавати будь-які кошти нашому членству. Втїливши це, ми здійснили скромний прибуток \$257,241 перед податками. Не зважаючи часом на трудність узгіднювати конкуренційні відсотки, ми надалі зосереджувалися на виконанні наших відповідальностей підтримати довготривалу стабільність і добробут людей і громад яких ми обслуговуємо. Це дійсне на корпоративному рівні в нашому зобов'язанні до стабільності та нашої підтримки соціального й економічного розвитку, а також на індивідуальному рівні, де члени нашої команди повертають належне нашій громаді день у день.

Помимо викликів матеріально-технічного постачання соціальних функцій під час пандемії, ініціативи підтримки громади залишилися пріоритетом Кредитової Спілки Карпатія та в минулому році роздано різним організаціям більше ніж \$100,000.00. Ці фонди дають нагоду організаціям задемонструвати енергійність духа нашої громади і культури, що робить мене величезною мірою гордою україркою і ГВУ цієї знаменитої організації.

Я очікую працювати ближче з нашою громадою, з нашими членами і персоналом у 2022 році зосереджуючи глибше свою увагу на досвідченості членів і на консультаційному, базованому на порадах, підході, щоби допомогти посилити фінансовий добробут наших членів.

Кандис Мартишенко

ГОЛОВИЙ ВИКОНАВЧИЙ УРЯДОВЕЦЬ

Кандис Мартишенко



Tel.: 204 956 7200
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Toll Free: 800 268 3337
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BDO Canada LLP
201 Portage Avenue - 26th Floor
Winnipeg MB R3B 3K6 Canada

Report of the Independent Auditor on the Summary Financial Statements

To the Members of Carpathia Credit Union Limited

Opinion

The summary financial statements, which comprise the summary balance sheet as at December 31, 2021 and the summary statement of comprehensive income, summary statement of changes in members' equity and summary statement of cash flows for the year then ended, are derived from the audited financial statements of **Carpathia Credit Union Limited** for the year ended December 31, 2021.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the criteria disclosed in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the statements and 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 Credit Union's 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 March 17, 2022.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the criteria disclosed in Note 1.

Auditor's Responsibility

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

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
March 17, 2022

CARPATHIA CREDIT UNION LIMITED

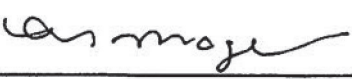
Summary Balance Sheet

December 31	2021	2020
Assets		
Funds on hand and on deposit	\$ 9,078,525	\$ 21,602,410
Income taxes recoverable	311,958	308,857
Other assets	240,779	199,679
Investments	137,659,566	114,363,209
Loans to members	458,870,151	473,662,000
Deferred income tax asset	301,900	230,900
Property, equipment and intangible assets	6,901,803	7,514,500
Assets held-for-sale	3,478,947	
Right-of-use assets	<u>491,104</u>	<u>656,138</u>
	\$ 617,334,733	\$ 618,537,693
Liabilities and Members' Equity		
Accounts payable and other liabilities	\$ 715,285	\$ 825,569
Members' deposits	583,114,825	584,338,360
Lease liabilities	<u>514,832</u>	<u>674,790</u>
	584,344,942	585,838,719
Members' Equity		
Contributed surplus	6,040,523	6,040,523
Members' shares	483,563	512,793
Retained earnings	<u>26,465,705</u>	<u>26,145,658</u>
	32,989,791	32,698,974
	\$ 617,334,733	\$ 618,537,693

Approved on behalf of the Board of Directors:



Director



Director

CARPATHIA CREDIT UNION LIMITED

Summary Statement of Comprehensive Income

For the year ended December 31	2021	2020
Revenue		
Interest on loans to members	\$ 14,553,898	\$ 18,240,165
Investment income		
Liquidity deposits	1,713,335	1,567,403
CUCM shares	134,520	188,739
Interest rate swap	133,488	337,283
	<u>16,535,241</u>	<u>20,333,590</u>
Cost of Funds		
Interest paid to members	7,946,754	9,888,191
Interest paid on borrowings	340	361
Interest paid on interest rate swap	797,776	833,490
	<u>8,744,870</u>	<u>10,722,042</u>
Financial margin	<u>7,790,371</u>	<u>9,611,548</u>
Operating Expenses		
Personnel	4,690,218	5,037,427
Administrative	1,854,993	2,011,392
Occupancy	1,955,482	1,670,954
Members' security	555,321	627,017
Organizational	300,366	308,413
Operating expenses	<u>9,356,380</u>	<u>9,655,203</u>
Other income	<u>2,231,457</u>	<u>2,414,061</u>
	<u>7,124,923</u>	<u>7,241,142</u>
Operating income	<u>665,448</u>	<u>2,370,406</u>
Provision for impaired loans	<u>408,207</u>	<u>1,998,488</u>
Income before income taxes	<u>257,241</u>	<u>371,918</u>
Provision for Income Taxes		
Deferred tax expense (recovery)	(74,101)	83,789
Total comprehensive income for the year	<u>\$ 331,342</u>	<u>\$ 288,129</u>

The accompanying notes are an integral part of these summary financial statements.

CARPATHIA CREDIT UNION LIMITED

Summary Statement of Changes in Members' Equity

For the year ended December 31, 2021

	Contributed Surplus	Members' Shares	Retained Earnings	Total
Balance at September 30, 2019	\$ 6,040,523	\$ 596,750	\$ 25,870,828	\$ 32,508,101
Net income for the year	-	-	288,129	288,129
Distribution to members	-	-	(13,299)	(13,299)
Issue of members' shares	-	77,580	-	77,580
Redemption of members' shares	-	(161,537)	-	(161,537)
Balance at December 31, 2020	6,040,523	512,793	26,145,658	32,698,974
Net income for the year	-	-	331,342	331,342
Distributions to members	-	-	(11,295)	(11,295)
Issue of members' shares	-	25,620	-	25,620
Redemption of members' shares	-	(54,850)	-	(54,850)
Balance at December 31, 2021	\$ 6,040,523	\$ 483,563	\$ 26,465,705	\$ 32,989,791

The accompanying notes are an integral part of these summary financial statements.

CARPATHIA CREDIT UNION LIMITED

Summary Statement of Cash Flows

For the year ended December 31	2021	2020
Cash Flows from (used in) Operating Activities		
Net income for the year	\$ 331,342	\$ 288,129
Adjustments for		
Interest revenue	(16,535,241)	(20,333,590)
Interest expense	7,969,463	9,888,552
Depreciation expense	825,706	844,056
Provision for impaired loans	408,207	1,998,488
Deferred income taxes	(71,000)	(99,700)
Loss on capital assets written off	106,143	-
	<u>(6,965,380)</u>	<u>(7,414,065)</u>
Change in other assets and accounts payable and other liabilities	(151,384)	211,765
Change in income taxes recoverable	(3,101)	(2,484)
	<u>(154,485)</u>	<u>209,281</u>
Changes in member activities, net		
Change in loans to members*	10,415,758	55,721,450
Change in members' deposits	(487,588)	(1,048,035)
	<u>9,928,170</u>	<u>54,673,415</u>
Cash flows related to interest, dividends, and income taxes		
Interest received on loans to members	15,038,733	18,402,909
Interest received on investments	1,888,351	1,885,273
Interest paid on members' deposits	(8,705,070)	(10,559,963)
Interest paid on borrowings	(340)	(361)
	<u>8,221,674</u>	<u>9,727,858</u>
Total cash flows from operating activities	<u>11,029,979</u>	<u>57,196,489</u>
Cash Flows from (used in) Investing Activities		
Redemption of investments	(23,203,365)	(47,507,070)
Purchase of property and equipment	(150,016)	(1,028,861)
Total cash flows used in investing activities	<u>(23,353,381)</u>	<u>(48,535,931)</u>
Cash Flows from (used in) Financing Activities		
Issue of common and surplus shares	25,620	77,580
Redemption of common and surplus shares	(54,850)	(161,537)
Dividends on shares	(11,295)	(13,299)
Principal paid on lease liabilities	(159,958)	(164,700)
Total cash flows used in financing activities	<u>(200,483)</u>	<u>(261,956)</u>
Net increase (decrease) in cash and cash equivalents	(12,523,885)	8,398,602
Cash and cash equivalents, beginning of year	<u>21,602,410</u>	<u>13,203,808</u>
Cash and cash equivalents, end of year	\$ 9,078,525	\$ 21,602,410

***Non-cash transaction:**

An amount of \$3,478,947 transferred from loans to members to Assets held-for-sale.

CARPATHIA CREDIT UNION LIMITED

Notes to Summary Financial Statements

For the year ended December 31, 2021

1. Basis of Presentation

Management is responsible for the preparation of summary financial statements. The summary presented includes only the summary balance sheet, the summary statement of comprehensive income, summary statement of changes in members' equity and summary statement of cash flows. It does not include all notes to the financial statements. The summary balance sheet, summary statement of comprehensive income, summary statement of changes in members' equity and summary statement of cash flows are presented in the same detail as the audited financial statements except the note referencing has been removed.

Copies of the December 31, 2021 audited financial statements are available at the Credit Union's head office at 952 Main Street, Winnipeg, Manitoba.

2. Compliance with Minimum Capital and Liquidity Requirements

The Credit Union is in compliance with the capital and liquidity reserve requirements at December 31, 2021 established by the Regulations to The Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity, the reader must refer to the audited financial statements including notes for the year ended December 31, 2021, which contain the information detailing the calculations.



OUR TEAM

Corporate Office

3RD FLOOR, 952 MAIN STREET

- Albert Joseph de los Santos, *IT Support Analyst*
- Brandeis Orr-Smallwood, *Manager, Retail Processing*
- Elizabeth Erickson, *HR Generalist*
- Galyna Andriyeshyn, *Commercial Credit Admin. Officer*
- Gerald Buan, *Controller*
- Halina Krawchuk-Suchy, *Accountant*
- Hailey Heng, *Analyst – Casual*
- James Verscheure, *Marketing Assistant - Casual*
- Kirk Joudrey, *Director, IT*
- Laura Sala, *Sr. Commercial Credit Admin. Officer*
- Mike Frost, *Facilities Coordinator*
- Monika Doucette, *Loan Adjudicator*
- Oksana Borys, *Document Processor*
- Shelly Maslechko, *Director, Credit*
- Svitlana Levenets, *Accountant*
- Theresa Cronin, *Director, Member Experience*
- Valentina Dubovik, *Document Processor*
- Vickie Sulyma, *Compliance Officer*
- Vlada Pidvysitska, *Compliance Coordinator – Casual*
- Yana Yamborko, *Credit Administration Officer*
- Yuliia Melnyk, *Credit Administration Officer*

Commercial Centre

950 MAIN STREET

- Dan Stanicky, *Manager, Business Services*
- Julian Dinenzon, *Commercial Account Manager*
- Mike Chomiak, *Business Relationship Manager*
- Olesya Nowak, *Business Relationship Manager*

Main Street Branch

950 MAIN STREET

- Anna Myszczyk, *MSR - Casual*
- Christine Rinn, *Branch Operations Leader Trainee*
- Darlene Beaudry, *MSR*
- Justyn Haskiewicz, *MSR - Casual*
- Oksana Volochiy, *MSR - Casual*
- Svetlana Davidov, *MSR Supervisor Trainee*

Henderson Highway Branch

1341-A HENDERSON HIGHWAY

- Ainsley Fewings, *MSR Supervisor and SalesTrainee*
- Ashley Kostyniuk, *MSR*
- Madison Timms, *MSR - Casual*
- Megan Buhr, *MSR*
- Tatiana Sadikova, *MSR*
- Tenille Black-Greaves, *FSR Trainee*

Grant Avenue Branch

1375 GRANT AVENUE

- Chelsey Staniforth, *Member Experience Leader*
- Hayley Schindle, *MSR Supervisor and SalesTrainee*
- Julia Kozak, *MSR - Casual*
- Rita Sorokina, *MSR*
- Tracy Jeffrey, *Financial Service Coordinator*

Regent Avenue Branch

1-850 REGENT AVENUE WEST

- Jillian Holaday, *MSR*
- Maryna Rozdymakha, *MSR - Casual*
- Natasha Hiebert, *MSR*
- Nola Wedlake, *MSR - Casual*
- Oksana Rayter, *FSR*
- Olha Holovko, *MSR Supervisor*

Leila Avenue Branch

310 LEILA AVENUE

- Bojan Stevanovic, *FSR Trainee*
- Colleen Pukalo, *MSR*
- Dmytro Buriakov, *MSR*
- Halyna Havdo, *MSR Supervisor and SalesTrainee*
- Iryna Gumenyuk, *Senior MSR*
- Shayla Lacoff, *MSR*

2021 BOARD OF DIRECTORS



Dr. Taras Babick
CHAIRMAN



Don Cilinsky
VICE CHAIRMAN



Noella Pylypowich
SECRETARY



Roman Zubach
PAST CHAIRMAN



Susan Zuk



Nicholas Chubenko



Donna Korban



Mike Mager



Irka Semaniuk



Mikel Pestrak



Sophia Kachor

Executive Management



Brian Petrynko
CHIEF OPERATING OFFICER



Candace Martyszenko
CHIEF FINANCIAL &
RISK OFFICER / INTERIM
CHIEF EXECUTIVE OFFICER



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