



BRIGHTER  
DAYS  
ON THE  
HORIZON

2020 ANNUAL REPORT



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Moya Financial is growing. Despite the worldwide pandemic, in 2020 we had another record year. Our assets grew by 13 percent and we returned over \$50,000 to the community where we live and work.

Moya's mission is to continue delivering innovative and competitive financial services that will help our members achieve and sustain financial security throughout their lives. We are committed to leveraging modern technology while continuing the time-honoured tradition of one-on-one customer service that has made us an integral part of our community in Ontario for over 60 years.



## BOARD OF DIRECTORS

- 1 **Val Končan, BSc** *(term expires 2023)*  
Chair; Audit & Risk Committee
- 2 **Barbara Udovič, MBA, BComm** *(term expires 2023)*  
Vice Chair; Audit & Risk Committee
- 3 **William (Bill) Stajan** *(term expires 2021)*  
Corporate Secretary; Chair, Governance & Human Resources Committee
- 4 **Lori Cimerman, BA** *(term expires 2022)*  
Director; Governance & Human Resources Committee
- 5 **Paul Dolenc, RGD** *(term expires 2022)*  
Director; Chair, Nominating & Member Community Relations Committee;  
Audit & Risk Committee
- 6 **David Mežič, MBA, BA (Business and ITM)** *(term expires 2022)*  
Director; Nominating & Member Community Relations Committee;  
Audit & Risk Committee
- 7 **Jim Ulčar, BSc (Econ. & Business Admin.)** *(term expires 2023)*  
Director; Nominating & Member Community Relations Committee;  
Audit & Risk Committee
- 8 **Margaret Zalar, LLB, LLM (Tax), JD** *(term expires 2021)*  
Director; Governance & Human Resources Committee
- 9 **Mark Žižek, BA (Commerce & Econ.)** *(term expires 2022)*  
Director; Chair, Audit & Risk Committee
- 10 **Jason Gorel, CFA, CPA, CA, CPA (Illinois), ICD.D, BBA, CSC**  
Interim Director; Audit & Risk Committee

*MOVA*  
FINANCIAL  
Your Community Credit Union



## A message from your Board chair

Our credit union continues to focus on being the financial institution of choice for you, our members. Members are the focus of all Moya does and stands for. In 2020 especially, with the challenges presented by the COVID-19 pandemic, we have remained true to our values and vision, we have kept the lines of communication open, we have maintained a “business as usual” approach to minimize downtime and disruptions, and I believe we have delivered.

Like every business and organization, Moya has had to adjust service delivery; however, the credit union remained open during the entire pandemic. Thank you to our front-line staff for their dedication and commitment to keeping Moya functioning as normally as possible. The Board has made adjustments as well, working and meeting virtually for an entire year, keeping everything moving forward, and ensuring the membership is well represented at the virtual Board table and in the decision-making process.

I’m happy to report another fantastic year of growth. In 2020, our assets grew by 13 percent, and over the past two years, the assets of Moya Financial have grown by \$70 million, a rate of growth we have never seen in our history. We believe this is a result of Moya’s dedication to providing the best banking experience to you, our members. At the heart of that, we have our staff to thank, staff who are friendly, knowledgeable, and helpful and who go the extra mile to ensure your banking experience is the finest.

2020 has been a year of significant change on the technological front. Moya has rolled out both a new mobile banking application and a new Internet banking application. The Moya website has been revamped and

modernized, and just recently, new debit cards with “tap” functionality have been rolled out to members, enabling your day-to-day use of the Moya debit card to be more efficient and convenient. All these advances are implemented with the membership in mind to ensure that Moya remains relevant and continues to be your primary financial institution.

In 2020, Moya focused on balanced growth. Our strategic plan, as mentioned in the past, has identified three pillars of growth – the Slovenian community, the non-Slovenian community, and small business. We continue to focus on these areas, and while there have been significant challenges during this pandemic, we have managed to

**“We have seen growth in membership numbers, in the total number of loans, and in total deposits over the entire time that Moya has existed**

stay in touch with our members. We have seen growth in membership numbers, in the total number of loans, and in total deposits over the entire time that Moya has existed, and we have you, our members, to thank for that. Without your confidence in Moya, that would not be possible.

Our online presence has increased, so while we can’t have meetings and seminars for members to attend in person, Moya has published numerous podcasts designed to keep members informed about various interesting

topics, everything from how Moya is managing during the pandemic, to interesting insights on key individuals, to special sessions on RRSPs, the credit union system, and much more. Have a listen – a wealth of information is at your fingertips.

Most recently, we have focused on live webcasts to present valuable information to the membership. These initiatives will continue, so keep your eyes open for emails and notices about them, and join in the presentations when they are available. And as always, every live presentation is recorded, so if you miss one, you can catch up later at a time convenient for you.

**"Our branch has remained open during this crisis, and a big thank you goes to our staff, who are willing to put their health on the line for the benefit of our members**

In 2020, COVID-19 clearly presented challenges and necessitated Moya adjusting the way it interacts with members and organizations. We are grateful to the membership for your understanding and support during the past year, a year of significant changes that affected how we do business but did not stop us from serving you, our members. Our branch has remained open during this crisis, and a big thank you goes to our staff, who are willing to put their health on the line for the benefit of our members. I'd like to acknowledge our Board and staff for having the foresight to update and enact our Business Continuity Plan before the declaration of the pandemic, ensuring a smooth transition to our current state. The

plan put in place the necessary procedures to ensure that Moya continued operating without skipping a beat while the pandemic raged on. The plan gave our leadership the tools required to steer the ship during these times, and it has been invaluable.

COVID-19 definitely interrupted normal day-to-day business operations, not only for Moya but for everyone and every organization that deals with Moya. I'm happy to say we are weathering the storm, and while the storm has not yet passed, we hope that in 2021, with the rollout of vaccines, we will see a loosening of restrictions as this pandemic gets under control and life assumes a new normal.

Moya was still visible in, and able to contribute to, the community in 2020, from sponsoring online events such as the Victoria Fund virtual concert and the Dom Lipathon, to maintaining our annual scholarships for promising scholars. Despite the obstacles, Moya will remain active in our community, doing the right things to make the community better.

Finally, I would like to take this opportunity to thank the staff and my fellow Moya Financial Board members for their commitment to providing our members with the friendly service that we've all grown accustomed to. A big thank you to our members. It has been a challenging year, and we're not out of the woods yet, but this past year, more than ever, your trust and loyalty have been key to the success of our financial institution.

Val Končan  
Chair, Board of Directors



## A message from the CEO

It is once again an honour to report to you, our members, with our 2020 results for Moya Financial Credit Union.

In spite of the COVID-19 pandemic, we've had another successful year, highlighted by strong growth in deposits for the second year in a row. I thank you for your trust and confidence.

It's hard to believe but we've been in varying stages of lockdown for over a year. We've managed to keep our branches open while following government protocols, and we thank you for your patience. We continue to ask members to avoid non-essential visits to our branches and to visit by appointment only. My thanks to all our member-facing staff for their sacrifice and hard work during these trying times.

The pandemic has accelerated Moya's priority of offering more digital banking services. We are making great progress toward building a seamless, full-service digital branch. Our new digital banking products are designed with contemporary and high-impact features and will provide an improved and easier-to-use online experience. This transition is an opportunity to focus on the content that's most valuable to you, our members. We encourage members to take advantage of our new online banking and improved mobile app.

While we missed seeing you all at traditional summer events, we shifted our branding focus to more social media messaging. Our podcasts and blogs continue to be popular and relevant. Last month we hosted our first webinar, introducing Moya Wealth, our new free financial planning service. Look to us for customized solutions for your financial needs – our staff is eager to help.

When you bank with Moya, you are also helping our community and our younger generations. Together we will continue to grow stronger. Trust Moya for your financial needs.

I would like to thank our Board of Directors and staff for their continued hard work. Our dedicated team is passionate about and committed to providing you the best possible member experience and financial solutions.

Hvala za zaupanje!

**Tony Krošel**  
CEO



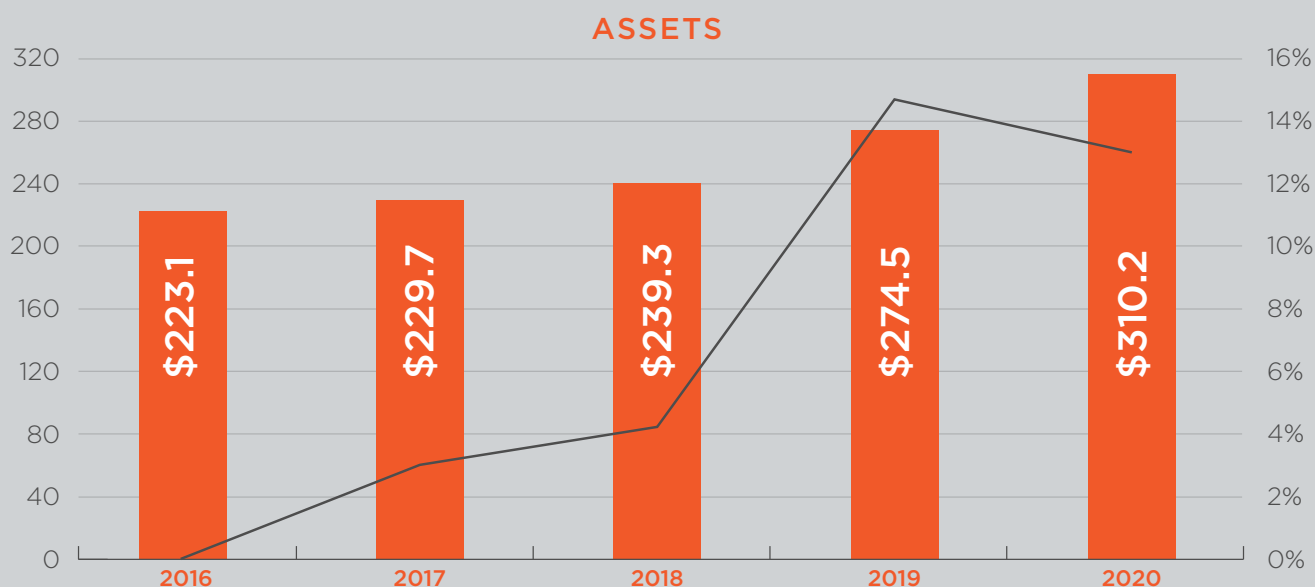
### 2020 Highlights

**13% ASSET  
GROWTH**

**DEPOSIT GROWTH  
\$34.5M**

**4% DIVIDEND ON  
MEMBERSHIP AND  
PATRONAGE SHARES**

## How We Grew in 2020



	2016	2017	2018	2019	2020
<b>ASSETS</b>	\$223.1	\$229.7	\$239.3	\$274.5	\$310.2
<b>GROWTH</b>	0	3.0%	4.2%	14.7%	13.0%

For 2020, Moya once again experienced better than anticipated deposit growth of \$34.5 million. The majority of that growth is directly attributable to two sources: increased deposits among our existing members from the Slovenian community, and growth outside of our traditional community through referrals and social media. Our rate promotions and marketing efforts continue to be successful. Total assets, deposits, and loans are all at record levels and in line with industry growth.

2020 was a challenging year, however. The COVID-19 pandemic meant we adjusted our priorities and approach and changed how we think and do everything. We take pride in our close relationship with our community, so our top priorities became communicating updates on the status of Moya in the form of notes from the CEO and supporting the community. While operating through the pandemic brought many challenges, Moya managed to

continue opening new accounts, issuing debit cards, and signing loans – doing just about everything via telephone and remote banking. While many people are comfortable with online banking, mobile banking, and ATMs, some members have only ever completed their banking in person at physical branches. We introduced appointment-only branch visits to accommodate those members while keeping both them and our staff safe.





A big part of our 2020 plan – our entire event strategy – was paused, and we had to adapt to doing things virtually very quickly. Even though there was much uncertainty, we made a strategic decision not to pursue any face-to-face community activities but to instead focus on financial support and marketing via digital channels.

Our community outreach was successful. Our CEO regularly reached out with messages of support. We increased our blog posts because financial literacy was a popular topic among members and prospective members. We've increased podcasts as well to communicate not just the words but the voice of Moya and our partners and to tell our story.

In 2020, we upgraded the platform we use for our website and digital banking services so we can now offer you more – more features, more accessibility, and more value. We started with a fully optimized website in the summer and worked on an improved online banking and app experience, which includes the most commonly used features.

At Moya Financial, we recognize the importance of addressing our environmental impact. We were able to follow our beehives from a safe distance and members participated in two virtual workshops. In addition, we were excited to take a big step to reduce our business's carbon emissions footprint by choosing environmentally responsible electricity from Bullfrog Power, a Spark Power company.





## Community Giving

Our commitment to the community is as real as ever. As promised, we have expanded our community commitment to four percent of our net profit and in 2020 we exceeded that benchmark by giving back more than \$50,000. With many of the key events we supported in 2019 not taking place in 2020, we have launched a Community Relief Fund.

We launched a new community-focused website to ensure organizations in our community can easily access information about how we can help and also to keep our members and the community informed. With a look and feel similar to our banking page, MoyaCommunity.ca is dedicated solely to everything about our members' organizations and businesses, our honeybees, and our Giving Back program.

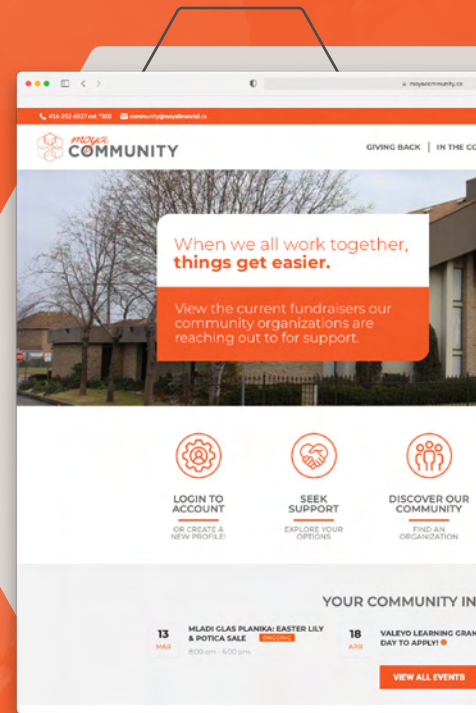
MoyaCommunity.ca represents stronger ongoing support of the Slovenian community and we hope it is your preferred destination to review project funding and Relief Fund requests. We wanted to make it easier for our community to fundraise safely and efficiently during these times, and so we got to work in the early days of the pandemic and launched our online donation program.



# LAUNCH OF

MoyaCommunity.ca

Community Relief Fund  
Online Donation Program



2

virtual bee workshops hosted

5

years of the Moya Recipe Calendar

3

grants for innovative community projects

7

scholarships awarded







## Audit & Risk Report

The Audit & Risk Committee of the Board of Directors fulfills its responsibilities as set out in the *Credit Unions and Caisses Populaires Act* (Ontario) (the Act) and conducts its affairs in accordance with the requirements of Section 125 of the Act and Section 27(2) of Ontario Regulation 237/09. In 2020, the committee held 13 meetings in accordance with the Act.

The seven-member Audit & Risk Committee has reviewed the audited financial statements for the year ended December 31, 2020, and confirms that the statements fairly represent Moya Financial Credit Union, in compliance with International Financial Reporting Standards.

The mandate of the Audit & Risk Committee is to assist the Board in fulfilling its responsibility to the membership, the investment community, and regulatory authorities. A written report is prepared and presented to the Board to discuss any items of concern and the necessary corrective actions, with respect to corporate governance, financial reporting, internal control procedures, and oversight of the internal audit.

The Audit & Risk Committee performed the following duties during 2020:

- Reviewed complaints and questions concerning privacy and ensured compliance with the *Personal Information Protection and Electronic Documents Act* (PIPEDA) of 2001. We can report that Moya Financial is in compliance with the legislation, as at December 31, 2020.
- Reviewed results of the external audit provided by MNP LLP.
- Reviewed results of the internal audit provided by Jones & O'Connell.
- Reviewed the risk management policies and procedures of Moya Financial.

- Reviewed the quarterly Enterprise Risk Management Program, as provided by Moya's senior leadership.
- Reviewed regular reports provided by management to ensure that Moya Financial complies with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.
- Reviewed the policies, procedures, and controls followed by management relating to legislative compliance.
- Reviewed asset and liability management reports prepared by a third-party service provider.
- Reviewed the credit union's Disaster Recovery and Business Continuity plans.

We report that all significant recommendations the Audit & Risk Committee made have been, or are in the process of being, implemented. To effectively fulfill present and future responsibilities, the Audit & Risk Committee identified and participated in professional development and training to meet increased director competencies required by legislation.

The Audit & Risk Committee had the full cooperation of Moya Financial's senior leadership team, MNP LLP, and Jones & O'Connell. We thank them all for their dedication in ensuring that Moya adequately monitors and protects the assets of our members.

I would also like to take this opportunity to thank the members of the committee for their diligent hard work.

In our opinion, Moya Financial Credit Union Limited continues to thrive on financial strength and stability.

Mark Žižek  
Chair, Audit & Risk Committee

## To the Members of Moya Financial Credit Union Limited:

The accompanying financial statements of Moya Financial Credit Union Limited are the responsibility of management and have been approved by the Board of Directors.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Audit & Risk Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Audit & Risk Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the financial statements and report directly to them; its report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit & Risk Committee and management to discuss their audit findings.

February 16, 2021



**Tony Krošel**  
CEO



## Report of the Independent Auditor on the Summary Financial Statements

To the Members of Moya Financial Credit Union Limited:

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2020, and the summary statements of income and comprehensive income and changes in members' equity for the year then ended, and related notes, are derived from the audited financial statements of Moya Financial Credit Union Ltd. (the Credit Union) for the year ended December 31, 2020.

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 statement in our report dated February 16, 2021.

### Management's Responsibility for the Summary Financial Statements

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

### Auditor's Responsibility

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



Chartered Professional Accountants  
Licensed Public Accountants

Mississauga, Ontario  
February 26, 2021

## Summary Statement of Financial Position

As at December 31, 2020

In \$	2020	2019
<b>Assets</b>		
Cash	5,946,948	7,825,697
Investments	64,525,075	54,928,878
Member loans	236,968,196	208,168,741
Accrued interest receivable	413,025	539,434
Prepaid expenses	162,629	210,260
Taxes recoverable	-	224,689
Deferred taxes	77,000	28,779
Interest rate swaps	-	467,218
Property and equipment	1,838,677	1,926,488
Intangible assets	219,169	144,714
	310,150,719	274,464,898
<b>Liabilities</b>		
Member deposits	287,262,549	252,285,237
Accrued interest payable	2,093,307	1,948,138
Accounts payable and other liabilities	1,370,357	1,408,631
Taxes payable	134,422	-
Interest rate swaps	132,551	-
Member shares	654,460	655,011
	291,647,646	256,297,017
<b>Members' Equity</b>		
Contributed surplus	8,352,253	8,352,253
Retained earnings	10,150,820	9,815,628
	18,503,073	18,167,881
	310,150,719	274,464,898

Approved on behalf of the Board



Val Končan, Chair



Mark Žižek, Director

The accompanying note forms part of the financial statements.



## Summary Statement of Income and Comprehensive Income

For the year ended December 31, 2020

In \$	2020	2019
<b>Interest income</b>		
Member loans	8,190,389	7,343,257
Investments	961,259	1,131,452
	9,151,648	8,474,709
<b>Interest expense</b>		
Member deposits	4,187,728	3,853,820
<b>Net interest income</b>	4,963,920	4,620,889
<b>Provision for loan losses</b>	491,769	444,961
<b>Net interest income after provision for loan losses</b>	4,472,151	4,175,928
<b>Other income</b>	423,917	386,875
<b>Net interest and other income</b>	4,896,068	4,562,803
<b>Operating expenses</b>		
Administrative expenses	1,568,189	1,705,503
Salaries and benefits	2,380,444	2,235,069
	3,948,633	3,940,572
<b>Income before distributions and other items</b>	947,435	622,231
<b>Distribution to members</b>	(45,000)	(44,419)
<b>Income before other items</b>	902,435	577,812
<b>Other items</b>		
Amortization of amalgamation fair value adjustments	-	(82,436)
Unrealized change in fair value of financial instruments	(481,627)	(489,060)
<b>Income before income taxes</b>	420,808	6,316
<b>Income taxes</b>		
Current	133,837	29,002
Deferred	(48,221)	(27,701)
	85,616	1,301
<b>Net income and comprehensive income</b>	335,192	5,015

The accompanying note forms part of the financial statements.

## Summary Statement of Changes in Members' Equity

For the year ended December 31, 2020

In \$	Contributed surplus	Retained earnings	Total
<b>Balance January 1, 2019</b>	8,352,253	9,810,613	18,162,866
Net income for the year	-	5,015	5,015
Balance, December 31, 2019	8,352,253	9,815,628	18,167,881
Net income for the year	-	335,192	335,192
<b>Balance, December 31, 2020</b>	8,352,253	10,150,820	18,503,073

## Note to the Summary Financial Statements

For the year ended December 31, 2020

### 1. Basis of presentation

Management is responsible for the preparation of the summary financial statements. The summary financial statements presented include the summary statement of financial position, and the summary statements of income and comprehensive income and changes in members' equity. They do not include the summary statement of cash flows, summary of significant accounting policies, or notes to the financial statements and accompanying schedules. The summary statements of financial position, income and comprehensive income and changes in members' equity are presented in the same detail as the audited financial statements except the note referencing has been removed.

Looking forward to

# Brighter days

We can't wait until  
we can safely rejoin  
our community.







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Visit us online at [MoyaFinancial.ca](http://MoyaFinancial.ca)

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