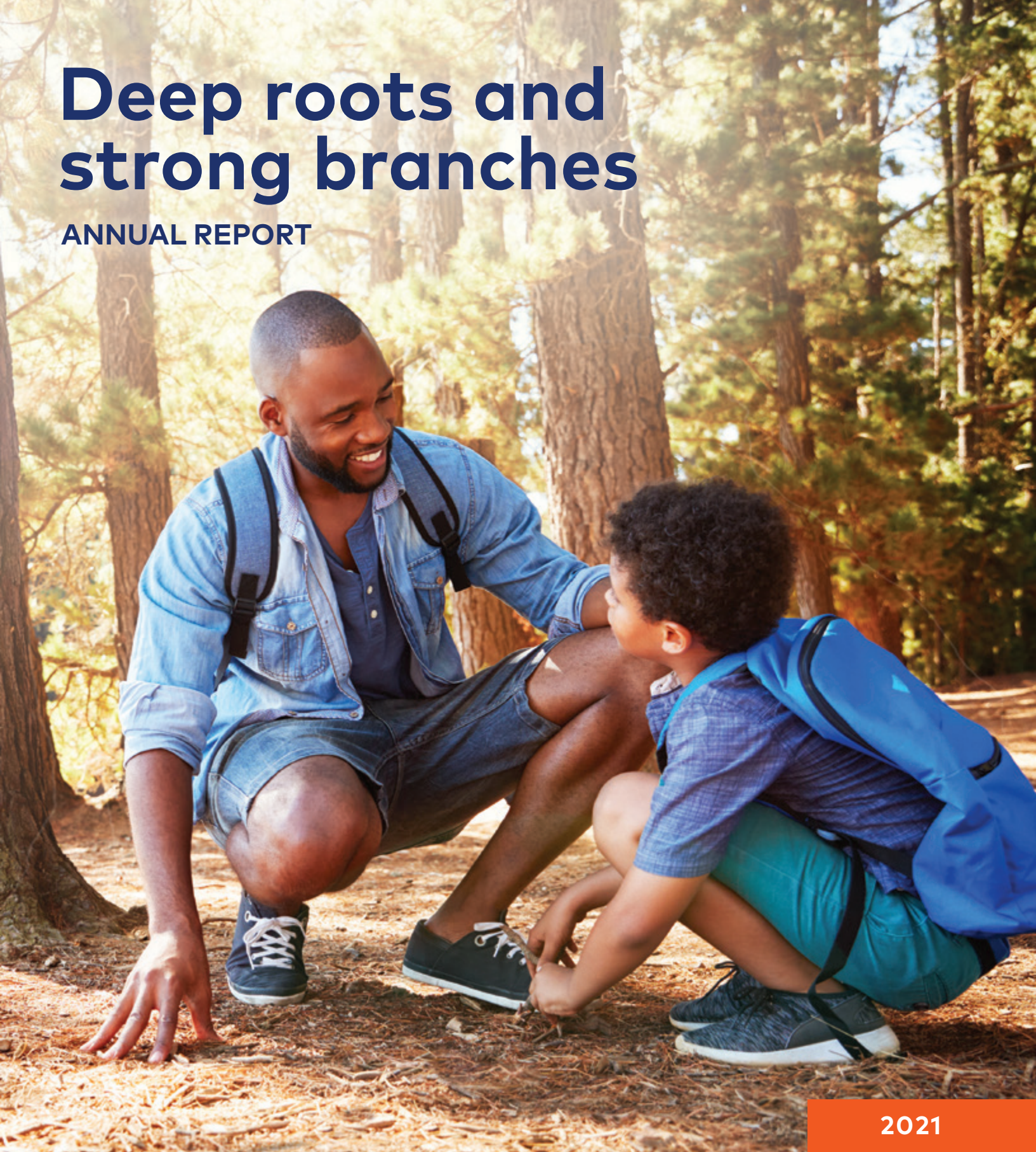


Deep roots and strong branches

ANNUAL REPORT



2021

A man with a beard and a backpack is smiling and touching a tree trunk in a forest. A woman is visible in the background, also smiling. The entire image has a blue tint.

*Continuity gives us roots;
change gives us branches,
letting us stretch and grow
and reach new heights.*

– PAULINE R. KEZER



MESSAGE FROM THE CEO	2
MESSAGE FROM THE BOARD CHAIR	3
BOARD OF DIRECTORS	4
MARGARET HODGSON, FAREWELL AND ENJOY YOUR RETIREMENT	8
TOP EMPLOYER	10
MEMBER APPRECIATION ACTIVITIES	14
COMMUNITY INFUSION	18
FULL CIRCLE FUND	20
NORTHSTAR	22
FUSION IMPACTS	24
SUMMARY CONSOLIDATED FINANCIAL STATEMENTS	26



MESSAGE FROM THE CEO

Darwin Johns

Creating growth and stability with our communities.

When I reflect on 2021, and the many challenges, changes, and opportunities that we were able to capitalize on, I know that we have thrived as an organization. Our outstanding performance is reflected in our financial statements, and in the deep roots and strong branches of our organization that make Fusion a Top Employer in Manitoba, and a great place to do business. All of the 2021 indicators solidify that we are here for the good people we serve, and those we work with.

Fusion and NorthStar stand strong, united as one team. This is especially important because when we work together, we see that the roots of our organization create deep, foundational strength. At the base of this foundation is an innovative and strategic Board of Directors who continue to drive positive change and ensure our members and communities remain at the forefront of every decision and action we undertake. It is my pleasure to work with the Board, as well as with such tremendous executive, leadership, and employee teams. I am proud of the hard work and dedication that is apparent across the organization, and I thank you for being the roots that create strength for our team, our members, and our communities.

At Fusion, we provide local opportunities for great jobs, and we are committed to an exceptional employee environment so that our people can focus on delivering the best possible experience for our members. We know that our employees' health and wellness is critical to the success of our organization and to establish strong, sustainable roots in our communities. I am thrilled to share that Fusion Credit Union was named one of Manitoba's Top Employers in 2022, which is the third year in a row. Our dedication to our employee environment has made this designation possible, and we're continually looking to build on this achievement.

The people who power our organization enabled new and exciting communication tools and channels this past year. Throughout the pandemic, our physical branches have remained as a hub for member service and support, and continual investments in digital technology and communication systems ensured

that we could stay well-connected, regardless of the geographic location of our workspaces.

At the onset of 2021, there was an element of uncertainty in our planning for financial performance, as well as curious excitement about what the future would hold. Throughout the year we did what we do best, and helped members to invest in their futures, farmers to nourish their lands, businesses to support their employees, and communities to embrace their residents. We have deep roots in the Parkland and Southwestern Manitoba, and while we continue to grow and change, we remain rooted in our membership. Our members are our strength, our focus, and our community, and we exist because they believe in us.

This past year, Fusion and NorthStar continued to demonstrate our commitment to community through our sponsorships, our volunteer representation, and our engagement in events that align with who we are and what we stand for. Although the pandemic created challenges, it did not hinder us from finding ways to safely volunteer and give back to the communities we serve.

The roots of Fusion and NorthStar ensure we stand tall; to weather storms that may come; to continue to provide shelter and support for all members. Thank you for a truly remarkable year, and I look forward to being part of the growth and strength of our organization in 2022.

Thank you,

Darwin Johns



MESSAGE FROM THE BOARD CHAIR

Guy Huberdeau

Your support has ensured that our roots remain "Here for Good".

As we reflect on 2021 and celebrate our third full year as Fusion Credit Union, my fellow Directors and I are thrilled to see the positive impact that our organization has made on members, employees, and communities. While our time as Fusion is still relatively new, our credit union has an experienced team of employees and leaders, and a long and evolving history that is succinctly captured in our Here for Good tagline. We faced new challenges together in 2021, and our Board was able to effectively balance the strategic outlook of the organization while navigating through the uncertainty of the pandemic. A key factor enabling our perseverance is the strong relationship between our Board, CEO, and Executive Management Team, where trust and collaboration are the foundational elements. It is my honor to work with such talented and dedicated individuals.

Our strong financial results from 2020 continued through 2021, and at year-end we had assets under administration exceeding \$1.34 billion, and significant overall loan growth of 8.41%. Along with our strong loan growth, net income increased by over 30% from the prior year to \$6.6 million. We were pleased to share this financial success with our members, and last year we provided over \$1.36 million in the form of patronage, cash payouts, and dividends. Sharing financial rewards with our members has deep roots at Fusion, and we make it a priority to give back to those who contribute to the success of the credit union.

Throughout the year, we have continued to support and engage with our communities safely and effectively. Our Board worked alongside employees to contribute close to 5,000 volunteer hours this year, which were spread across the branches and agencies in all our communities. We provided over \$245,336 to communities through sponsorships, donations, and scholarships, and we're proud of both the people and financial resources that we're able to contribute to important causes and events across Manitoba. In 2021, we reinforced our commitment towards environmental sustainability by decreasing paper consumption by 25%, and we invested in local entrepreneurs through the success of our inaugural Community Infusion event.

I would like to thank the Board for their continued commitment, dedication, and enthusiasm this past year. They continually ensure a strong and steady strategic direction, while also participating in a tremendous array of learning and development opportunities to enhance their skills and governance abilities. The unique qualifications and skillsets of each of our Directors have contributed to the success of our organization. It's been my pleasure to participate as a member of this team, and as my time as Board Chair comes to a close, I would like to express my thanks and gratitude to my fellow Directors for their support and encouragement of me in this role. I look forward to continuing with the Board in my new capacity as Director, to continue to help move the organization forward.

As a Board, we understand that deep roots and strong branches are inherent within credit unions and cooperatives, which in turn creates values-based, community-orientated organizations, such as Fusion. These organizations are a constant and steadfast presence in the communities we serve. We are proud to serve alongside with the management and staff of Fusion to pave the way for a strategic direction we are confident in. As an organization, we are layering on the people, processes, and technology that reinforce strength, deepens roots, and most importantly, deliver what's important to our members. Thank you to all of our members for believing in Fusion; your support has ensured that our roots remain "Here for Good".

Thank you,

Guy Huberdeau

Board of Directors



GUY HUBERDEAU
BOARD CHAIR – FUSION AT LARGE

Guy Huberdeau was born and raised in St. Lazare. He has served on the board since 1999, first with Vanguard Credit Union and later as a Fusion board member after amalgamation in 2018. Guy has been Chair for a number of years and is dedicated to making sure members are heard and understood.

His involvement in his community has been very important to him, as a member of the Municipal Council for 26 years, St. Lazare CDC and the Conservation District Board. He was also active on the Rec District Board, Vet Board and the School and Hospital Boards.

Guy and his wife, Kathy, have two daughters and four grandchildren who are their whole world. They moved to Brandon in the fall of 2015 to be closer to them. In their spare time, Guy and his wife love camping, fishing, traveling, and spending time with their grandchildren.



GARRY SMART
1ST VICE CHAIR – FUSION SOUTHWEST

Garry Smart grew up on a farm Southeast of Brandon. Garry has transferred his successful business skills to his work on the Fusion Board. As the General Manager for Modern Industrial Structures Brandon, Garry developed the business plans from 2007 until he retired in 2018. Garry knows how important a strong credit union partner is to the success of small business owners.

As a Board Member, Garry loves being engaged with the Fusion team and is incredibly proud of all the work they do for the community. He is always trying to improve and move forward. In his free time, Garry loves to watch and play sports, travel with his wife, work on various projects and spend time with his two children and three grandchildren.



RICHARD DERENIWSKI
2ND VICE CHAIR FUSION NORTHWEST (TERM EXPIRING)

Richard Dereniwski originates from Strathclair, MB, where he was raised on his parents' mixed farming operation. He graduated from Minnedosa Collegiate in 1977. Richard's career path in the grain/ag industry began in 1978 and continued until his retirement in January 2020. Richard received six awards for Managerial Efficiency plus many sales achievement awards throughout his career.

Previous to being a Director with Fusion, Richard served terms as Chair and Vice Chair on the Board of Directors for Roblin Credit Union and Catalyst Credit Union. He is presently a Chair of the Directors Forum Planning Committee, sits on the Democratic Control Review Committee and also sits on the Order of Merit Selection Committee all of which are associated with Credit Union Central of Manitoba. Richard holds a Certified Director accreditation from the Rotman School of Management. In addition to serving on the Fusion Board he is also a Director on the Parkway Co-op Board and a Councilor for the Municipality of Roblin. Richard looks forward to helping guide Fusion through any and all upcoming challenges and celebrating the accomplishments in the future.

Richard and his wife were married in 1979 and together they raised two children, Justin and Charmaine. They have two precious grandsons, Zander and Hudson.

Board of Directors



ALBERT PAZIUK
DIRECTOR - FUSION NORTHEAST

After graduating from Ethelbert Collegiate, Albert attended Brandon University and Brandon Assiniboine Community College, before returning to Ethelbert and taking over the family farm. Albert and his wife Doreen successfully run a mixed farming operation.

Albert was on the Board of the Ethelbert Credit Union for 35 years as Director and President, and then a Board Director at Catalyst Credit Union, before becoming a Director at Fusion Credit Union.

Throughout his years with the credit union system, Albert has been part of many committees and has upgraded and completed numerous courses. He has obtained his Accredited Canadian Credit Union Director designation, which requires yearly upgrading and training to maintain his status as an Accredited Director. He takes pride in his work and is committed to ensuring that Fusion Credit Union is there for service and support for their members, communities, and organizations.

Albert and his wife have two sons and four grandchildren. Albert enjoys snowmobiling, curling, quadding, golfing, hunting, and fishing.



PAUL ORSAK
DIRECTOR - FUSION SOUTHEAST

Paul Orsak, BSA, University of Manitoba 1977, has served on several farm and agricultural industry boards, government task forces and committees. He was a member of the Board of Governors of the former Winnipeg Commodity Exchange for nearly 10 years.

Paul served as an elected Director of Agricore United and is currently a Director of the Canadian division of a private US based corporation. He earned his Chartered Director (C.Dir.) designation through the Directors College of McMaster University and the Conference Board of Canada.

Formerly a director of Vanguard Credit Union, and as a Fusion board member, Paul is committed to ensuring its members and communities are at the heart of every decision.

Paul and his family operate a farm business near Binscarth, with strong commitments to the land, their crops, and the environment around them.



CAROLE SHANKARUK
DIRECTOR - FUSION AT LARGE

Carole is originally from Ste. Rose du Lac and is of Metis descent. She is a Registered Social Worker and is currently employed with the Mountain View School Division in the capacity of Indigenous Education Facilitator.

She possesses strong and innovative leadership qualities and has extensive experience within a number of roles in healthcare, child welfare, education, and business management systems. Carole currently serves as a Board Director for the Mental Health Commission of Canada.

Outside Carole's professional life she is the mother of two grown children and the grandmother of two beautiful grandchildren. She currently assists her husband in the management of their cattle and grain farm.



MARK BOUCHER
DIRECTOR - FUSION AT LARGE

Mark was raised on a mixed farm in Binscarth, Manitoba. He has lived within the Fusion Credit Union service area for 26 years. He has a deep connection with the community, and his values align with those of Fusion Credit Union.

Mark has over 30 years of diversified IT experience as a consultant and senior manager with expertise in IT governance, security, strategic planning, procurement of hardware, software and technologies, IT implementations, support and maintenance, disaster recovery and business continuity planning.

Margaret Hodgson, Farewell and Enjoy Your Retirement

“It has been a profound privilege to have worked with every principled Fusion Director, the CEOs and the exceptional management teams during my 10 years as Director. Having been a credit union member since I was a teenager, I am excited to watch the continuing evolution of this dynamic institution, as you thrive and advance in this ever-changing financial environment.”

Fusion Credit Union is saying farewell to Margaret Hodgson who is retiring from her role as a Board Director after ten years of service. Margaret became a Credit Union Director in 2012, first serving the members of the legacy Vanguard Credit Union. In 2018, she was honored to be selected as a Director of the newly amalgamated credit union, and be part of its evolution into what is now the very progressive Fusion Credit Union.

“It has been a profound privilege to have worked with every principled Fusion Director, the CEOs and the exceptional management teams during my 10 years as Director,” states Hodgson. “Having been a credit union member since I was a teenager, I am excited to watch the continuing evolution of this dynamic institution, as you thrive and advance in this ever-changing financial environment.”

Throughout her time as Director, Margaret trained to become an Accredited Canadian Credit Union Director to better understand and fulfill her role. She is a proponent of prudent and sound business principals and strategic planning and served enthusiastically on every committee of the Board of Directors. Serving as Chair of the Audit & Risk Committee was a challenging responsibility, but the work of this team received high accolades from their peers in their Board Evaluation. She has been devoted to financial literacy throughout her 50-year career and is proud of her contribution to Fusion's incredible achievements in this regard.

Prior to her retirement in 2017, Margaret established a public accounting practice which provided business services to clients in the local area and has held positions on numerous other Boards, most notably as Presiding Member of the Surface Rights Board of Manitoba and Mayor of the Town of Birtle. In 2011, she received The Lifetime Membership Award from the Association of Manitoba Municipalities, in recognition of her commitment to her community, the Westman region and the Province of Manitoba.

“Margaret leaves behind a legacy of achievement and success here at Fusion,” says Guy Huberdeau, Board Chair at Fusion Credit Union. “Her outstanding career is a testament to her hard work and we want to thank Margaret for her years of dedication. On behalf of the Board, CEO, Executive, staff and members, we wish Margaret all the best in her future endeavors.”



Fusion Credit Union has been recognized as one of Manitoba's Top Employers for the second year in a row in 2021!

This special designation recognizes Manitoba employers that lead their industries in offering exceptional places to work. Employers are evaluated by the editors of Canada's Top 100 Employers using the same eight criteria as the national competition including:

- Physical Workplace
- Work Atmosphere and Social Atmosphere
- Health, Financial and Family Benefits
- Vacation and Time Off
- Employee Communications
- Performance Management
- Training and Skills Development
- Community Involvement

“Employee and community wellness are at the forefront of what we do,” says CEO Darwin Johns. “This year, we made a conscious effort at the Board and leadership level to practice that.”

While employers are compared to other organizations in their field to determine which offers the most progressive and forward-thinking programs, in 2021, there was one common theme amongst all top employers - resilience. Even though the pandemic drew us further apart physically at times, in other ways, we became closer as a team. We caught glimpses of the personal lives of those working from home as the family pet made brief appearances on Zoom meetings, and pre meeting discussions revolved around the plants and décor in the home office. While 2020 was the year we created new and innovative ways to connect with our members and with each other, 2021 could be described as the year of adaptability and strength. The physical work environment may have changed, but the focus always stayed the same – offering the ideal employee experience, whether we were collectively together, or apart. We have grown together over the past year – deepened our roots and strengthened our branches, and we know that whatever happens next, collectively, we are ready for it.



MANITOBA'S
TOP EMPLOYERS



Brandon Branch supporting Jeans Day and the Oak River School



Brandon staff supporting Little Warriors Organization with coffee purchase from Black Rifle



Dauphin Branch supporting Jeans Day and the Dauphin Friendship Center.



Donation to the Manitoba High School Case Competition



The Fusion team at the Fusion Golf Tournament



Gilbert Plains Halloween Costumes



Inglis Bear Clan Donation



Staff participating in the Earth Day Challenge



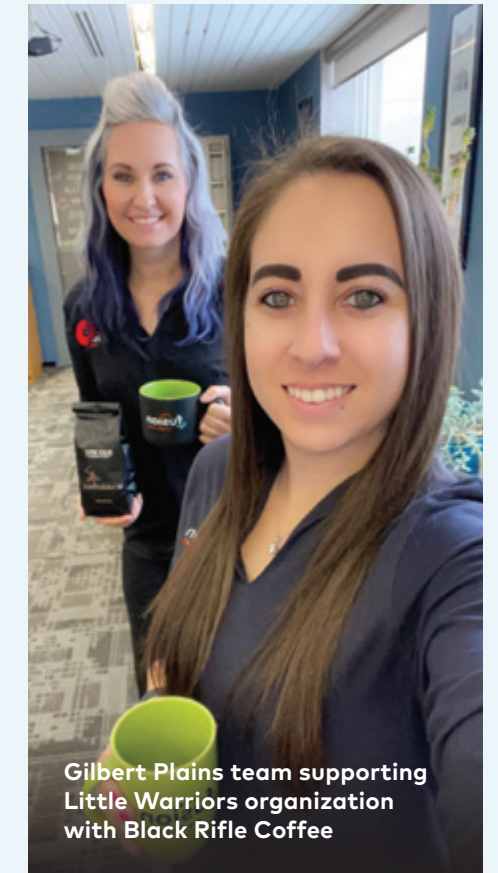
Dauphin team members volunteering at Community Infusion



Oak Lake Parade



Rossburn Home & Agro Golf Tournament



Gilbert Plains team supporting Little Warriors organization with Black Rifle Coffee



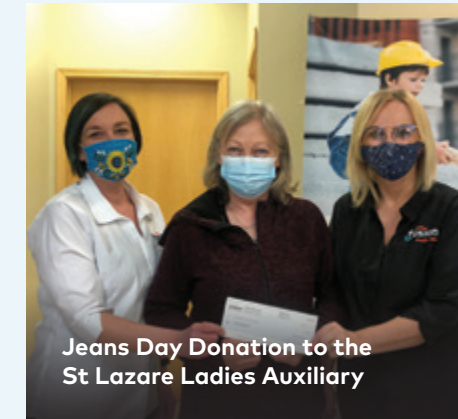
Jeans Day in support of Bell Let's Talk Day



Fusion staff playing in the Fusion Golf Tournament



Staff working at Food Truck Warz



Jeans Day Donation to the St Lazare Ladies Auxiliary



Volunteering at Food Truck Warz



Hamiota Curling Club 125th Bonspiel



Miniota Christmas Parade



Jeans Day in support of Bell Let's Talk Day



Russell Branch Halloween Costumes



Commemorating Remembrance Day and the XPress launch

Member Appreciation Activities

Our members are the driving force behind every decision we make. They are the reason we strive for excellence and commit to our communities each and every day. They place their trust in us and we, in turn, give back to them and the causes they believe in. It's how we help our members live their best lives. During 2021:

- We held a Covid-friendly golf tournament with 104 golfers participating at the Gilbert Plains Golf & Country Club.
- We supported our high school grads by awarding \$12,500 in scholarships.
- We allocated over \$1,365,000 back to our members through patronage, cash payouts and other dividends.
- We supported local businesses by giving away \$900 in gift cards to members during our Country Christmas contest.
- We celebrated International Credit Union Day by supporting and buying local for our traditional harvest baskets and hosting a member draw to give these away.
- We brought Tour 150, the Nakatamaakewin mobile art exhibit to several of our communities.
- We collected items and were a drop-off point for Bear Clan Donations during National Truth and Reconciliation Week.

At Fusion, providing opportunities to deliver financial education and wellness for our members is also a top priority. We committed to and delivered 12 Financial Wellness Presentations throughout the year. Shifting from previous in-person events, we turned our focus to offering online blog posts and videos, all in an effort to provide knowledge and information pertaining to several topics such as:

- Loans and Mortgages
- Fraud Awareness
- Digital Banking
- Executor Duties
- Cyber Security
- Youth Banking
- Small Business Banking
- Ag Loans
- Student Financial Wellness
- Credit Cards Tips



Nakatamaakewin Mobile Art Tour stops at the Brandon Branch



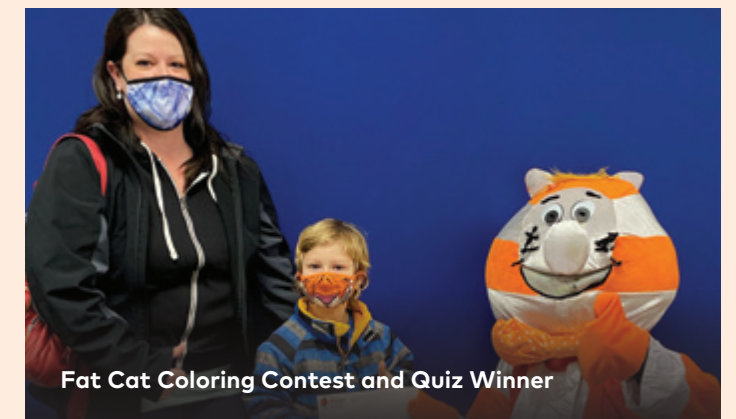
Bear Clan Donation with other Credit Unions for National Truth & Reconciliation Day



Birtle Branch supporting our Graduates



Fat Cat Bike Draw Winner



Fat Cat Coloring Contest and Quiz Winner



Fusion Country Christmas Gift Card Winner - Rossburn



Fusion Country Christmas Gift Card Winner - St Lazare



Golfers at the Fusion Golf Tournament



Wrapping gifts at the United Way Tree Auction in Brandon



Participants in the Fusion Golf Tournament



Proud supporter of the Dauphin Kings



International Credit Union Day Harvest Basket Draw Winner - Hamiota



Hamiota Scholarship Winner



Registered Campaign \$1,000 Winner - Roblin



Registered Campaign iPad Winner



Birtle and Miniota Small Town Christmas gift winner



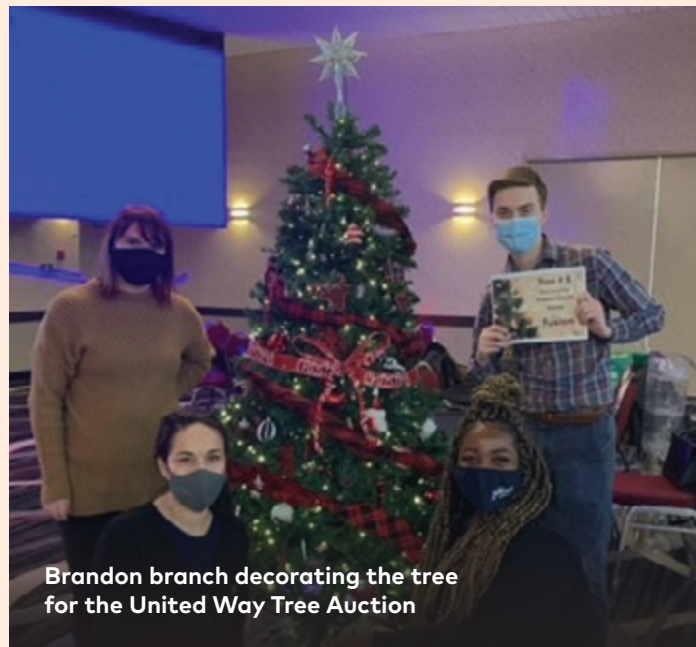
Rosburn Scholarship Winners



Smile Cookies donation at Birtle Collegiate



Darwin Johns, CEO speaking at the Fusion Golf Tournament



Brandon branch decorating the tree for the United Way Tree Auction



International Credit Union Day Harvest Basket Draw Winner - Miniota



Oak River Branch supporting our Graduates



Darwin Johns, CEO presenting the cheque to the winner

Community Infusion

in·fuse /ɪnˈfjuːz/ verb: to cause to be permeated with something (such as a principle or quality) that alters, usually for the better.

Community Infusion is the event that aims to infuse economic development into our communities.

And infuse was exactly what we did. We started with the mindset that Fusion is a leader in promoting and driving economic development throughout the communities we serve, and the end result was a huge success! Community Infusion garnered excitement, engagement, and collaboration throughout our branches and infused economic prosperity into our communities.

Community Infusion grew from an ideation session in spring 2021 where we asked employees to identify ways for Fusion to contribute to economic development in our communities. From this session, the idea of a 'Dragon's Den' style event was developed and, after assembling a project team, the concept took flight.

In the fall of 2021, entrepreneurs were invited to apply to Community Infusion with their new business or business growth idea and compete for the financial award of up to \$30,000. From the original applications, 10 were chosen to move on to the second stage, which included submitting their business plan.

From these business plans, five entrepreneurs were chosen to compete in the "Final Five" event, where they pitched their business idea to a panel of Fusion judges. The winner would take home \$30,000 to be used towards their new business or business idea.

The stage was set, the presenters and judges were ready, and the jam-packed audience at the Countryfest Community Cinema in Dauphin settled in for an evening of entertainment and innovation. At the end of the night, Dustin Dawson became the first ever winner of Community Infusion, Final Five, with his plans to buy Showdra Meats in Dauphin.

Exciting plans are underway for 2022! Follow along as we engage with Dustin on his new journey! And watch for announcements as we make plans to host the second Community Infusion event!



Announcing the Winner



Congratulations to the winner



Grow Media Pitch



Hemp Sense Pitch



Grand Vieux Liquor Pitch



Joe Dandy's Pitch



Community Infusion Judges (Missing Susan Alders)



Community Infusion Project Team

Full Circle Fund

At Fusion, we are proud to be an active supporter of community groups and events in our region. From major sponsorships like the Brandon Riverbank Inc, the Dauphin Kings, and the Royal Manitoba Winter Fair, to grassroots efforts like bake sales and school groups, the Full Circle Fund was created to help our communities thrive, grow, and succeed. The Full Circle Fund is our way to fairly and transparently support worthy projects across our communities, where people are looking for larger donations.

We received 60 applications this year, which is an increase over 2020! We are fortunate to be considered as a partner for such tremendous community spirit and engagement, and we are pleased to support as many applications as possible. 2021 marks the second full year of the Full Circle Fund, and we supported 29 organizations in 14 communities.

TOTAL DONATIONS FOR 2021

\$121,950

TOTAL RECIPIENTS:

29

ORGANIZATIONS

14

COMMUNITIES

“Our schools are the heart and the future of our community. Investing in playground equipment at our schools provides evidence to our children that we value them, their education and their wellbeing. This playground equipment will help our children thrive by providing more opportunities for varied play and physical activity, which has been proven to improve educational outcomes and mental wellness.”

— **Bill Bowley**, Principal, Birtle Collegiate

“With the support of the community and from Fusion Credit Union, we’ve seen incredible growth and momentum at the Riverbank, and this sponsorship of our new stage keeps that momentum going strong into the new year.”

— **James Montgomery**, GM of Brandon Riverbank Inc.



Birtle Collegiate
Middle Years Playground



Brandon Riverbank Fusion
Credit Union Stage



Comité Scolaire d'École Saint-
Lazare Electronic Billboard



Grand Plains Minor Hockey -
U7 Jerseys



Hamiota Minor Ball
Canteen Patio



Happy Face Childrens Centre
Outdoor Playground



Henderson Elementary School
Playground



Kenton Community Enterprises
Lighting Project



Thunder and Ice Snowmobile
Club Groomer

“Happy Face Children’s Centre is proud to be chosen as one of the recipients of the Fusion Full Circle Fund. Money from this grant will go towards the renewal of the daycare fenced in playground. New play areas within the playground will now include gardening, art, music, a natural gross motor play area, and dry river-bed exploration. Other improvements include an added secure toy storage, fence repair and an outdoor classroom in the future. This playground will be an added asset to the daycare allowing the children and staff a creative and safe place to play and explore. We have seen the benefits of outdoor play and look forward to the new and improved space in the future.”

— **Candice Benson**, Happy Face Children's Centre, Winnipegosis

NorthStar Brand Launch

Our NorthStar brand project launched when Fusion's General Insurance Agencies amalgamated in June 2020 to become NorthStar Insurance and Real Estate Inc. One of our first activities was to find the right partner to assist with our re-brand, and we began to work with Honest Agency in December 2020 to identify the scope and deliverables of this exciting project! We knew that a new brand identity was key to our success, and to accomplish this we required a redesign of the existing brand and website.

It was equally important to us that the new brand align to our corporate values, and we spent time with key stakeholders to learn about NorthStar's existing brand and culture. These discussions laid the foundation for the development of our new brand, and we identified our purpose, mission, and commitment to our clients and communities. Our brand required a distinct personality and a tone that was welcoming, familiar, knowledgeable, and sincere.

To improve upon our client's digital experience, a new website (north-star.ca) was introduced in the fall of 2021. Our updated website offers an exciting new look at the insurance products we offer and includes added functionality such as virtual real estate showings and helpful links to NorthStar Insurance & Real Estate's partners.

You may have noticed our new tag line – "Steady and True", and we are thrilled with the meaning behind this phrase. The North Star has been a constant over the prairies for millennia, providing direction and giving people a sense of stability and familiarity. And although we don't always see it, we take comfort knowing that it's there. Like our namesake, NorthStar Insurance & Real Estate is steady and true – calmly there with knowledge and experience in times of major change.

OUR MISSION

To strengthen our communities by providing insurance and real estate advice, community investment and client focused solutions.

OUR PURPOSE

We help our friends, neighbours and communities make insurance and real estate decisions that suit their unique needs.

OUR COMMITMENT

We are committed to helping our communities grow stronger one household and one business, at a time.

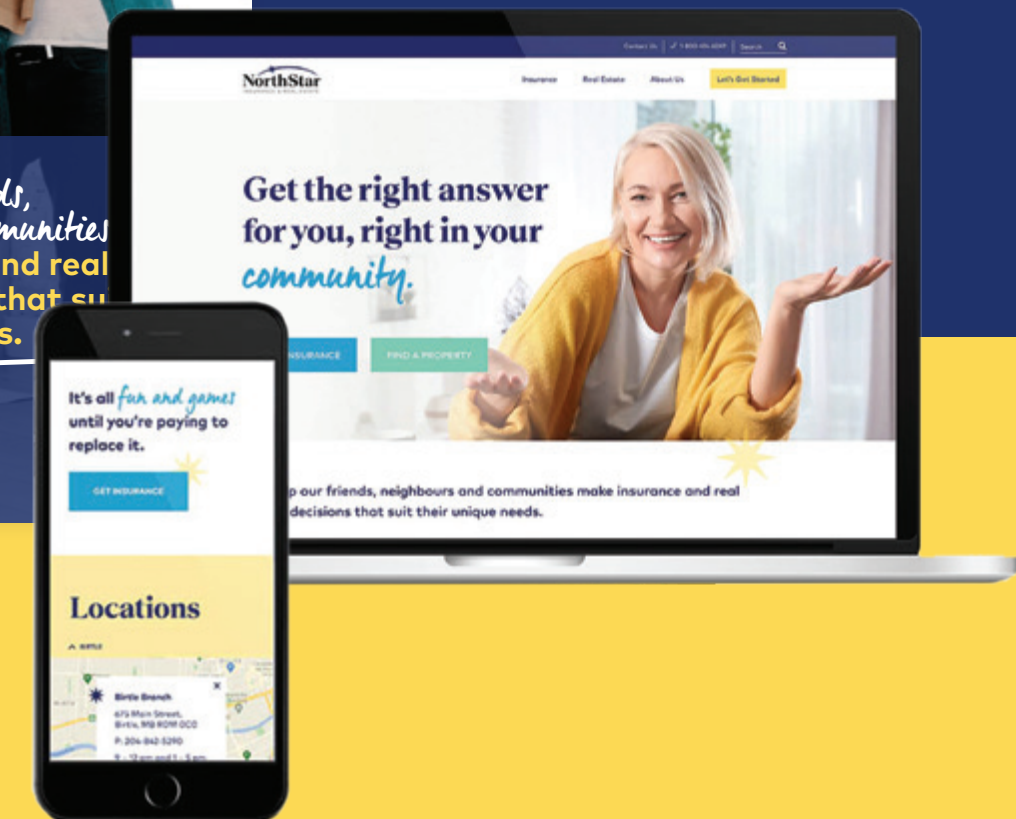
OUR PROMISE

We commit to ensuring our clients and communities remain at the centre of every policy, decision and action we undertake.

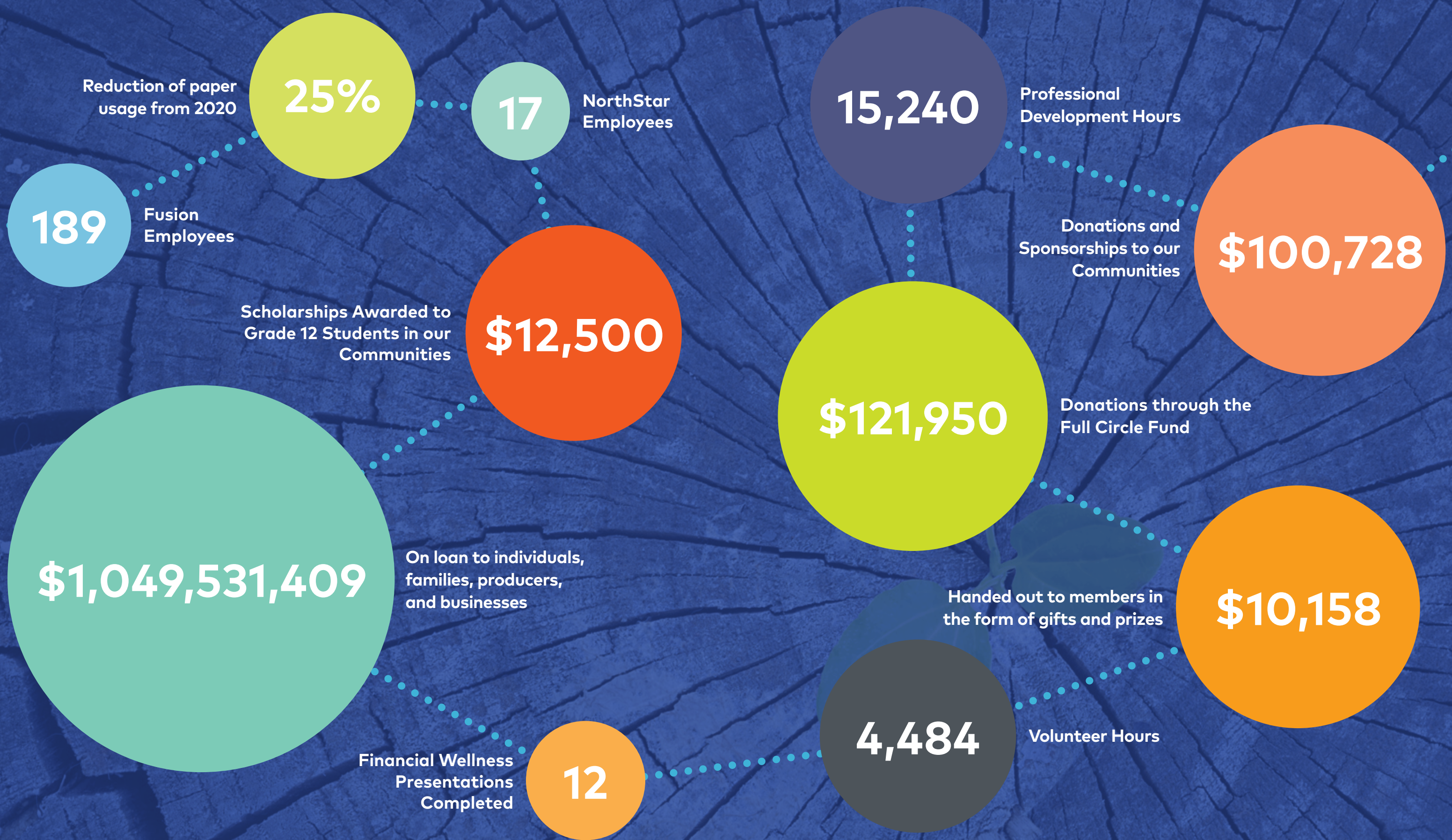


We help our friends, neighbours and communities make insurance and real estate decisions that suit their unique needs.

* Steady and True.



* Steady and True.





Fusion Credit Union Limited
Summary Consolidated Financial Statements

December 31, 2021

Report of the Independent Auditor on the Summary Consolidated Financial Statements

To the Members of Fusion Credit Union Limited:

Opinion

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

Report on Other Legal and Regulatory Requirements

As at December 31, 2021 the Credit Union met the capital and liquidity reserve requirements established by Sections 15, 21 and 21(1) of the Regulations to the Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity reserve requirements, the reader must refer to the audited consolidated financial statements and notes for the year ended December 31, 2021.

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 March 24, 2022.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with International Financial Reporting Standards.

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.

Brandon, Manitoba

March 24, 2022



Chartered Professional Accountants



ACCOUNTING > CONSULTING > TAX
1401 PRINCESS AVENUE, BRANDON MB, R7A 7L7
1.800.446.0890 T: 204.727.0661 F: 204.726.1543 MNP.ca

Fusion Credit Union Limited
Summary Consolidated Statement of Financial Position
As at December 31, 2021

	2021	2020
Assets		
Cash and cash equivalents	256,644,466	251,037,461
Investments and accrued interest	19,452,507	14,150,352
Accounts receivable	932,890	1,716,047
Members' loans receivable and accrued interest	1,047,494,571	966,246,984
Income taxes recoverable	55,878	276,505
Prepaid expenses and deposits	2,284,073	3,364,594
Property and equipment	12,323,601	10,911,290
Intangible assets	2,356,370	2,401,848
Other assets	1,808,694	1,842,725
	1,343,353,050	1,251,947,806
Liabilities		
Member deposits and accrued interest	1,228,081,400	1,134,247,682
Accounts payable	7,719,274	7,704,680
Securitization debt	13,360,096	22,067,728
Deferred tax liabilities	421,000	335,000
	1,249,581,770	1,164,355,090
Members' equity		
Member shares	12,463,692	12,787,972
Retained earnings	81,307,588	74,804,744
	93,771,280	87,592,716
	1,343,353,050	1,251,947,806
Approved on behalf of the Board		
<u>Signed "Guy Huberdeau"</u> Director	<u>Signed "Margaret Hodgson"</u> Director	

Fusion Credit Union Limited
Summary Consolidated Income Statement
For the year ended December 31, 2021

	2021	2020
Interest Income		
Member loans	36,284,113	38,876,914
Interest revenue	3,827,755	3,160,364
	40,111,868	42,037,278
Interest expense		
Deposits	14,624,552	17,630,537
	14,624,552	17,630,537
Gross financial margin	25,487,316	24,406,741
Operating Expenses		
Administration	6,849,463	6,559,676
Amortization	1,172,466	1,121,918
Member security	1,194,930	1,090,349
Occupancy	1,095,469	1,020,153
Organizational	681,662	688,333
Personnel	12,951,341	12,406,155
	23,945,331	22,886,584
Net operating income	1,541,985	1,520,157
Other income	8,216,543	6,490,419
Income before provision for impaired loans, property held for resale, patronage refund and income taxes	9,758,528	8,010,576
Provision for impaired loans and property held for resale	681,854	694,258
Income before provision for patronage refund and income taxes	9,076,674	7,316,318
Provision for patronage refund	725,000	550,000
Income before income taxes	8,351,674	6,766,318
Provision for (recovery of) income taxes		
Current	1,659,691	1,756,728
Deferred	86,000	(66,000)
	1,745,691	1,690,728
Net income	6,605,983	5,075,590

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

Fusion Credit Union Limited
Summary Consolidated Statement of Changes in Members' Equity
For the year ended December 31, 2021

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Total equity</i>
Balance December 31, 2019	14,224,877	69,857,994	84,082,871
Net income	-	5,075,590	5,075,590
Issuance of member shares	19,280	-	19,280
Patronage refund	550,000	-	550,000
Issuance of member shares	(2,135,025)	-	(2,135,025)
Redemption of member shares	128,840	(128,840)	-
Balance December 31, 2020	12,787,972	74,804,744	87,592,716
Net income	-	6,605,983	6,605,983
Issuance of member shares	24,500	-	24,500
Patronage refund	725,000	-	725,000
Redemption of member shares	(1,176,919)	-	(1,176,919)
Dividend on preference shares	103,139	(103,139)	-
Balance December 31, 2021	12,463,692	81,307,588	93,771,280

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

Fusion Credit Union Limited
Summary Consolidated Statement of Cash Flows
For the year ended December 31, 2021

	<i>2021</i>	<i>2020</i>
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	37,327,639	38,424,915
Interest and dividends received from investments	3,186,840	3,221,764
Other income received	8,216,543	6,490,419
Cash paid to suppliers and employees	(20,786,200)	(22,809,438)
Interest paid on deposits	(15,582,838)	(17,931,267)
Income taxes paid	(1,644,360)	(1,936,849)
	10,717,624	5,459,544
Financing activities		
Net change in member deposits	94,792,004	132,616,743
Net proceeds from securitization of mortgages	(8,707,632)	(6,048,038)
Proceeds from issuance of member shares	24,500	19,280
Redemption of member shares	(1,073,780)	(2,006,185)
	85,035,092	124,581,800
Investing activities		
Net change in members' loans receivable	(82,972,697)	(29,226)
Purchases of investments and accrued interest	(4,661,240)	(162,545)
Purchases of property and equipment	(2,511,774)	(950,875)
	(90,145,711)	(1,142,646)
Increase in cash resources	5,607,005	128,898,698
Cash resources, beginning of year	251,037,461	122,138,763
Cash resources, end of year	256,644,466	251,037,461

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



Here for good ●