



**77th Annual General Meeting
VICTORY CREDIT UNION, LTD.
Monday, July 6th, 2020 at 7:00pm,
Electronic Meeting**

AGENDA

- CALL TO ORDER – ESTABLISHMENT OF QUORUM
- OPENING REMARKS
- APPROVAL OF THE AGENDA
- DISPOSITION OF THE MINUTES OF THE 76th ANNUAL GENERAL MEETING
- BUSINESS ARISING FROM THE MINUTES
- TABLING OF REPORTS:
 - A. REPORT OF THE BOARD CHAIR AND GENERAL MANAGER
 - B. REPORT OF THE AUDITOR
 - Appointment of Auditor
 - C. REPORT OF NOMINATING COMMITTEE
- OLD BUSINESS
- CLOSING STATEMENTS
- ADJOURNMENT



**76th Annual General Meeting
VICTORY CREDIT UNION, LTD.
Tuesday, April 23, 2019 at 7:00pm,
Kennetcook Fire Hall, Kennetcook, NS**

MINUTES

The 76th Annual General Meeting of Victory Credit Union was held on Tuesday, April 23, 2019 at the Kennetcook Fire Hall, in Kennetcook, Nova Scotia. There were 27 members, staff and directors in attendance. Special Guests included: Mike Johnston (CUDIC), Rhonda Ashby (Atlantic Central/League Savings & Mortgage), Miles Sweeney (Miles T. Sweeney), Regrets were received from Jim Riley (General Manager), Randolph Cochrane (Board Member). All were greeted by Kara Anthony and Lynn Thoms who attended to the door and all were invited to light refreshment provided by the Kennetcook Fire Department Auxiliary during the Meet & Greet from 6:30 – 7:00pm.

A slide show ran during the meet and greet featuring some of the highlights from the past year, our 5 Days of Giving and other community support as well as some new products that have been introduced or will be in the coming year such as Small Business MemberDirect™, Square, etc.

CALL TO ORDER – ESTABLISHMENT OF QUORUM

The meeting was called to order at 7:05pm by the Chair, Bill Gregory. He welcomed everyone to the 76th AGM and announced that a quorum was present.

APPROVAL OF THE AGENDA

Bill Gregory asked for a motion to approve the Agenda for the meeting which was circulated in the package. **This motion was made by Natasha Rafuse, seconded by Marlene Thomas. There were no additions to the Agenda. CARRIED.**



MOMENT OF SILENCE FOR DECEASED MEMBERS

The Chair then asked for a moment of silence for our departed members.

INTRODUCTIONS & GREETINGS FROM THE BOARD OF DIRECTORS

Bill then introduced the other Directors present: Peter Francis (Vice-Chair), Debbie McLaughlin (Secretary), VanEssa Roberts, John Brownless, Andrew White, Tim McNutt and Brad MacQuarrie, gave regrets from Randolph Cochrane.

INTRODUCTION OF SPECIAL GUESTS

Bill Gregory asked the Special Guests to stand and be acknowledged as their name was called. Mike Johnston (CUDIC), Rhonda Ashby (AC/LSM), and Miles Sweeney, Auditor.

DISPOSITION OF THE MINUTES OF THE 75th ANNUAL GENERAL MEETING

The Chair asked for a motion to approve the previous AGM meeting minutes.

MOTION: A motion was made by Peter Francis to accept the 75th Annual General Meeting Minutes as circulated in the package.

SECONDED by Natasha Rafuse. All were in favour.

MOTION CARRIED.

BUSINESS ARISING FROM THE MINUTES – there was no business arising from the previous meeting minutes.

TABLING OF REPORTS:

REPORT OF THE BOARD CHAIR & THE GENERAL MANAGER

Bill spoke to those gathered, summarizing both the Chair (schedule A) and the General Managers reports, (schedule B) and elaborated about the reorganization in Victory over the past couple of years, and how we have now “turned the corner”. He spoke briefly about the positive performance of Victory and continued growth of the organization. He added there will continue to be changes, and that Victory will continue to adapt to meet those future changes. In closing he thanked the membership, the Board for the strong governance they provide, and the staff for their hard work.



Bill then asked for a Motion to accept Chair and GMs reports as presented.

MOTION: A motion was made by VanEssa Roberts to accept the Board Report and the GMs report as presented.

SECONDED by Marlene Thomas

MOTION CARRIED.

Bill then turned to John Brownless to introduce Miles Sweeney.

REPORT OF THE AUDITOR

Miles Sweeney then presented his report, explaining an auditor's responsibility (to express an opinion based on their audit) as well as management's responsibility and explained how the credit union generates income and incurs expenses. It was an "unqualified" audit, meaning a clean audit.

A summary of the findings included:

Assets increased to \$54.3 million from \$53.5 million in 2017; mainly due to increase in lending.

Net income increased in 2018 from prior year (\$274K compared to \$118K in 2017);

Equity now at 9.2% of assets. (Required equity is 5% of assets):

Share equity was down by \$2000 from 2017 due to more members leaving the Credit Union than joining.

However, actual equity grew to 5.0 million with a profit of \$270,000.

Victory Credit Union needs to continue to grow the loan portfolio with quality loans and good security to minimize loan write-offs.

Miles asked if there were any questions, to which there was no response.

MOTION: A motion was made by Peter Francis to accept the Auditor's report as presented.

SECONDED by Tim McNutt.

All in favour.

MOTION CARRIED.

REPORT OF NOMINATING COMMITTEE

Debbie McLaughlin read the submitted Nominating Committee report (Schedule C) on behalf of Randy Cochrane (Chair), informing those in attendance that there would be an election this year due to three expiring three year terms. The four nominees; Evelyn Jones, Pat McLean, (Tim McNutt read the scan sheet submitted by Michael Knowles), and VanEssa Roberts re-offered for another term. They all spoke a bit about their personal lives, jobs



and their connection to the Credit Union. A ballot vote was conducted, ballots were collected and tabulated at the back of the room with Rhonda Ashby and Paulette Sanford acting as scrutinizers. The results were presented by Debbie McLaughlin as she welcomed Evelyn Jones, Pat McLean to the Board and VanEssa Roberts as returning board member.

MOTION: A motion was made by Debbie McLaughlin to accept the Nominating Committee's report as presented.

SECONDED by Andrew White.

All were in favour.

MOTION CARRIED.

Debbie McLaughlin then made a MOTION to destroy the ballots.

SECONDED by VanEssa Roberts

All in favour.

MOTION CARRIED.

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: APPOINTMENT OF AUDITOR

John Brownless MOVED to nominate MNP as auditors for next year. Question from the floor made by Natasha Rafuse as to why the change from Miles T Sweeny. John replied that Miles T Sweeny has audited for the past 35 years and the Board felt that it was time for a new set of eyes. As part of due diligence, tenders were requested, four were received, narrowed down to two and MNP was chosen.

MOTION SECONDED by Tim McNutt.

MOTION CARRIED

AWARD PRESENTATIONS

Bill Gregory presented certificates and pins to the following individuals.

5 year Pin & Certificate - Debbie McLaughlin Board of Director

15 year Pins & Certificates – Shannon Coolen, Susan Fletcher, & VanEssa Roberts Board of Director

Susan Fletcher acknowledged Bill Gregory and John Brownless with Certificates and gifts upon their retirement from the Board of Directors.



ADJOURNMENT

Bill Gregory thanked the Board of Directors for their continued service and asked for a motion to adjourn.

MOTION to adjourn by VanEssa Roberts.

The meeting adjourned at 8:10 pm.



A Message from your Board Chair and General Manager

We are pleased to report to you on some of the key accomplishments and financial success Victory Credit Union enjoyed during 2019. Our primary focus as a credit union is to provide exceptional financial advice so our members can make the best educated banking decisions for their financial future. We also strive to be a community leader to help our greater community prosper. As a member owned provider of local banking service, we continue to successfully balance serving our community with meeting the diverse financial needs of our members, while remaining financially strong.

2019 was the last year of the credit union's current three-year strategic plan. With that, the Board of Directors successfully completed a new three-year strategic direction for the organization. The new strategy prioritizes member growth with a focus to grow and strengthen relationships with our youth, our leaders of tomorrow. It also has as heavy focus on digital transformation, as we ensure those electronic services that the vast majority of our members now utilize and expect from their financial institution keep up with the market demands. Remaining financially strong is always a necessary component of any strategy. The Board renewed our purpose, the why we exist which is our fundamental DNA, our purpose is:

Victory Credit Union's ultimate purpose is "to be a community champion (leader) so that we ensure a better tomorrow for our Members & Greater Community"

Strong financial results and excellent growth were achieved in 2019. Among the Key financial accomplishments for 2019: Total assets increased to \$58,000,000; loans to members increased to \$44,500,000 up over 7% from 2018; deposit balances increased over 6% to \$52,700,000; our net income was strong at \$236,920; and equity is strong, now sitting at over \$5,200,000. We are well above the regulatory minimum standard of 5% equity as we sit around

9%, this strong equity position helps protect the credit union in the event of a challenging year. We are most pleased with the strong growth we were able to achieve over the past year while still maintaining a healthy bottom line. Our continued focus to build relationships and the belief in our organization from our members enabled the strong results to be achieved.



Victory Credit Union is committed to providing you great banking, convenience, competitive products and services when, where and how required to access your banking accounts. The when, where and how seems to change daily, members expect us to continue to evolve products and services to ensure they get the financial services they need when they need them. Your credit union added several new services in 2019, among them:

ClickSWITCH was launched, providing our members with an accessible anytime, anywhere online banking product to manage their automatic payments and direct deposits, by easily allowing members to switch their payments in 10 minutes or less.

Interac Online was also introduced. This new payment method gives you the option to pay for online purchases directly from your credit union account. It's the newest online payment method, and it's fast, convenient, and secure. Victory Credit Union understands that the benefit of security is at the top of everyone's mind, as it should be. With Interac Online, our members can be assured that no personal banking information is shared with the retailer or other third parties. The payment is completed through your secure banking session. It's convenient. There are no extra accounts to set up or passwords to remember. Members can use Interac Online anywhere, anytime. Lastly, it's fast. The transaction takes place in just a few clicks using available funds in your credit union account.

With the rising cost of post-secondary education, the need for families to begin saving for a child's education is more important than ever. However, many Canadians are unaware that there are government funding programs available that will help families save money faster through RESPs, because of this and our drive to help our members, we introduced the SmartSAVER program to members. SmartSAVER is a non-profit organization dedicated to encouraging families to save for their children's education by opening RESPs and informing them about the Canada Learning Bond (CLB) and the Canada Education Savings Grant (CESG). To support families, SmartSAVER created a web portal, MySmartFUTURE, where families can begin the application process for government programs and be connected with their credit union to open an RESP. Were on MySmartFUTURE, so visit the link to our site to start the application process for government programs right away.

The switch to Collabria as our credit card provided was completed in 2019. With that Apple Pay became available for our Apple users. Apple Pay is available for all our personal and business Collabria credit cards. It offers an easy, secure and private way to pay on iPhone, iPad, Apple Watch and Mac products. With the transition to Collabria we do recognize the loss of the



global payment card was an inconvenience to some members, work is ongoing to find an alternative to this card. Our new suite of credit cards has many options for your unique needs.

One of the most rewarding aspects of our organization is our opportunity to give back to our community, care for community is one of the core cooperative values. This is very important to Team Victory. Living in the communities we serve give us the opportunity to be a proud participant in the many exciting and worthy community events, 2019 was no exception. We had the honor to support our community in many ways in 2019, among them: We increased our focus to improve financial literacy within our community, offering a basic and plain language financial knowledge program to youth at Avon View High School, which is delivered by volunteer staff. The programs sole purpose is to empower youth to make the right financial decisions for themselves and their families by understanding the importance of credits and debits and how to use these skills in their daily lives; We were also pleased to participate in Junior Achievement programs at our local schools; We supported the tree of Hope, a donation program to help local families with the costs of the holiday season. We have had great success with this heartfelt organization in the past and 2019 was no exception thanks to the generous support of our members and staff. These are but a few of the many wonderful events Team Victory support throughout out communities, whether it is participating in a local parade or supporting a worthy cause the credit union presence at these events is very important to us, we are grateful to be in position to give back to our community.

Our organization is strong. The reason we are so strong is because of the continue support and belief from members and staff. As we look forward to the journey that 2020 will bring, we look forward to your continued belief and support in your credit union. Together we will navigate the journey to a better tomorrow.

Staff and Board members, thank you for your continued dedication and hard work, for being community leaders and working hard to build that the better tomorrow together. Thank you for all you do!



Dear members, the organization simply doesn't exist without you, we are here to serve you and we thank you for believing in the Credit Union way, choosing us to be your financial services provider. We look forward to continuing to provide you with the great banking you deserve.

Sincerely,

Brad MacQuarrie
Board Chair

Jim Riley
General Manager

Report of the Auditor

To the Members of Victory Credit Union Limited:

Opinion

We have audited the financial statements of Victory Credit Union Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2019, and the statements of income and other comprehensive income, changes in customer-owners' equity, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Credit Union for the year ended December 31, 2018 were audited by another firm of public accountants who expressed an unmodified opinion on those statements on March 21, 2019.

Independent Auditor's Report

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

Independent Auditor's Report

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether

the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dartmouth, Nova Scotia

March 25, 2020

MNP LLP

Chartered Professional Accountants

Independent Auditor's Report

Statement of Financial Position

As at December 31, 2019

	2019	2018
Assets		
Cash resources <i>(Note 6)</i>		
	9,711,182	9,119,874
Customer-owners' loans <i>(Note 7)</i>	44,353,671	41,435,108
Income taxes receivable	2,767	5,813
Other assets	68,030	40,443
Investments <i>(Note 8)</i>	2,040,056	2,034,621
Deferred income taxes <i>(Note 9)</i>	17,900	10,801
Property and equipment <i>(Note 10)</i>	1,815,346	1,821,058
	58,008,952	54,467,718
Liabilities		
Payables and accruals	69,382	40,492
Customer-owners' deposits and accrued interest <i>(Note 11)</i>	52,702,407	49,424,289
	52,771,789	49,464,781
Commitments <i>(Note 13)</i>		
Events after the reporting period <i>(Note 21)</i>		
Customer-owners' equity		
Customer-owners' shares <i>(Note 12)</i>	228,447	231,141
Retained earnings	5,008,716	4,771,796
	5,237,163	5,002,937
	58,008,952	54,467,718
Approved on behalf of the Board		
Director	Director	

Independent Auditor's Report

Statement of Income and Other Comprehensive Income

For the year ended December 31, 2019

	2019	2018
Income		
Loan interest	1,887,394	1,784,772
Investment income	206,160	137,747
	2,093,554	1,922,519
Interest and loan related expenses		
Distributions to customer-owners:		
Interest on deposits	228,267	192,708
Loan impairment losses (<i>Note 7</i>), (<i>Note 18</i>)	67,295	35,477
Borrowed money	80	144
	295,642	228,329
Financial margin	1,797,912	1,694,190
Other income (<i>Note 16</i>)	760,367	796,615
Income before operating expenses	2,558,279	2,490,805
Operating expenses		
Administrative expenses (<i>Schedule 1</i>)	851,116	834,197
Amortization of property and equipment (<i>Note 10</i>)	96,396	101,511
Occupancy expenses (<i>Schedule 2</i>)	145,214	129,956
Salaries, benefits, contracted services	1,077,865	985,113
Central service charges	70,624	72,604
CUDIC assessment	45,852	55,141
	2,287,067	2,178,522
Income before income taxes	271,212	312,283
Provision for income taxes (<i>Note 9</i>)		
Current	41,391	38,713
Deferred (recovery)	(7,099)	(59)
	34,292	38,654
Net income and comprehensive income	236,920	273,629

Nominating Committee Report

The Nominating Committee is responsible to and reports to the Board of Directors. The current Nominating Committee is made up of three members: Andrew White (Chair), Tim McNutt and Debbie McLaughlin.

Nomination posters were placed in the branches of Victory Credit Union for a period of four weeks closing on March 14, 2020.

At the call for nominations, Victory Credit Union's Board of Directors had four vacancies. One 2-year term and three 3-year terms. At the close of nominations four members were properly nominated and accepted their nomination: Peter Francis, Debbie McLaughlin, Lisa Chance and Mike Knowles.

Section 5.14 of the Credit Union bylaws states, in part: Where the number of nominees equals the number of vacancies available, those duly nominated shall be declared elected by acclamation.

Therefore, Peter Francis, Debbie McLaughlin, Lisa Chance and Mike Knowles have been duly nominated and are declared elected by acclamation.

Respectfully submitted,

Andrew White
Nominating Committee, Chair

Victory Credit Union Cooperative Social Responsible Committee Report (2020)

Credit Unions are more than financial institutions, they are a part of the community they serve! The Board of Victory Credit Union (VCU) includes a committee with a commitment to cooperative social responsibility. This committee provides a focal point for the Board of VCU to share innovations on progress and policies affecting community, environment, workplace and marketplace matters.

VCU is very involved in our communities with branches in Brooklyn, Kennetcook, and Windsor. We take cooperative and social responsibility seriously. We are proud to support our communities. In the past year, these are just a few examples of areas of community involvement and support:

- Each One Teach One Financial training
- Big Brother/Big Sister
- Rotary Club
- Hospital fundraisers
- The Hants County Exhibition
- Hants County 4-H
- The Pumpkin Regatta
- Kennetcook Fire Department fun days
- Falmouth Trail Run
- Seniors' Safety Program
- Bursaries for Schools
- Nursery School
- Harvest House
- Food banks, to name a few!

VCU has provided funding for many community infrastructure projects over the many years of its existence and will continue to do so. Staff and the Board of VCU raise money and donate to worthy causes of their choice throughout the year.



So far, the year 2020 has been a very trying time for the world, Covid-19 has changed everything we know. In a way it has brought the importance of Cooperative Social Responsibility forward even more. It has meant that VCU has had to make changes we never could have predicted to put the health of our members and staff first and foremost in this pandemic. We will continue to focus on VCU members and our communities in our changing world to ensure we support the well-being and growth of our communities. This is a prime example of Cooperative Social Responsibility.

Submitted by the VCU CSR Committee, Debbie McLaughlin (Chair), Evelyn Jones, Lisa Chance and Marlene Thomas (Staff Resource).