



ANNUAL REPORT

2021



**CREDIT
UNION**

VALLEY

Table of Contents

01

AGENDA

02

2021 ANNUAL GENERAL MEETING MINUTES

06

BOARD OF DIRECTORS

07

CHAIR OF THE BOARD REPORT

08

CEO REPORT

10

CREDIT COMMITTEE REPORT

11

CSER COMMITTEE REPORT

12

AUDIT COMMITTEE REPORT

13

COMMUNITY SUPPORT REPORT

AGENDA



Call to Order

Motion to Approve Agenda

Introduction to the Board of Directors

Report on Registration

Adoption of Minutes

Business Arising from Minutes

Message from the Chair of the Board of Directors

Message from the President & CEO

Credit Committee Report

CSER Committee Report

Audit Committee Report

Review of Financial Statements

Appointment of Auditors

Nomination Committee Report

New Business

Adjournment

2021 Annual General Meeting Minutes



Due to COVID-19 the Valley Credit Union Annual General Meeting was moved to a virtual Zoom platform.

Call to Order

The Annual General Meeting of the membership of Valley Credit Union Limited was held virtually, on Zoom, from Head Office in Cambridge, NS on Thursday, April 22, 2021. The meeting was called to order by the Chair of the Board, Martin Gillis at 6:12p.m.

Motion to Approve the Agenda

Moved by Christy Bishop, seconded by Doug Oldford, THAT the agenda for Valley Credit Union's Annual General Meeting held on April 22, 2021, be approved. Motion Carried.

Introduction of the Board of Directors

The Chair of the Board, Martin Gillis, introduced the Board of Directors to the Membership.

Report on Registration

There were 63 Members registered and 8 guests reported. 25 Members are required to establish a quorum, therefore Martin Gillis, Chair of the Board, declared a quorum present.

Adoption of Minutes - April 23, 2020

Moved by Doug Oldford, seconded by Matthew Dubois, THAT the minutes of the 2020 Annual General Meeting held on April 23, 2020, be accepted as included in the AGM meeting package.

Motion carried.

Business Arising from the Minutes

NIL

Message from the Chair of the Board of Directors

Martin Gillis, Chair of the Board, turned the meeting over to the Vice Chair, Andrea Martin who then introduced Martin Gillis, Chair of the Board.

Martin Gillis, Chair of the Board, gave his report to the Membership which was included in the Annual Report for 2020.

The Chair highlighted the major activities the Board performed during the 2020 year.

- Due to the COVID-19 pandemic; Valley Credit Union had to make substantial operational changes, including temporarily closing some locations until they could be staffed safely.
- Because of the operational changes there was an increase in our electronic forms of banking and a decrease in over the counter transactions. This required four of our smaller branches to reduce their hours
- The Board of Directors continued to meet virtually. Regional and National meetings were also attended by Directors virtually.
- Despite all the challenges of 2020, Valley Credit Union finished the year with assets of approximately \$232 million.
- The Board agreed to make a financial commitment to the Flower Cart Group's Building Opportunities Capital Campaign of \$250,000.00. We have also extended our sponsorship with The Credit Union Centre for another five years.

The Chair thanked the President & CEO, Len Ells, for the leadership he provided during these challenging times. He thanked the Board for their ongoing dedication.

The Chair thanked the staff for their service over the past year. It has been very stressful due to COVID-19 and the staff have worked hard to keep themselves and our Members safe.

The Chair announced Valley Credit Union had been the recipient of the Coady Award. The Coady Award celebrates the many ways that Credit Unions give back to the places they live. The Credit Union/Caisse Populaire that receives the Coady Award shows leadership in the areas of co-operation, volunteerism, education, and environmental sustainability.

The Chair introduced the video which had been put together by a group of staff.

The Vice-Chair, Andrea Martin, turned the meeting back over to the Chair, Martin Gillis.

Message from the President & CEO

Martin Gillis introduced Len Ells, President & CEO.

Len Ells, President & CEO reported on some of the highlights of 2020. His full report is in the Annual Report for 2020.

- Everything changed March 2020.
- Management had reviewed our BCP plan and were prepared. The first priority was to the staff and Members. There was increased cleaning, barriers were put up, and reduced hours were some of the ways we dealt with the pandemic. The CEO again thanked the staff for their continued support of the safety measures and for supporting each other and the Members.
- The pandemic had an impact on small business. Our commercial team had a very challenging year dealing with all new programs, developed by the Provincial and Federal Governments to help small business during the pandemic. The team worked very hard to help our small business Members.

- In 2021, we continued to leverage our use of technology
 1. Coconut and Teams were added to help with virtual meetings.
 2. We introduced a chat bot named Val to help Members with questions.
 3. Mobile Wallet was launched
 4. ASAPP, an online account opening tool was further developed
- The staff checked in on 5,000 Members to make sure they were doing ok during the pandemic and make sure they knew of the technology to make it easier for them to complete their banking safely during the pandemic.
- We supported Kingston/Greenwood Mental Health. A group of staff put together an application to Concentra and the KGMH won The Empowering your Community Award of \$25,000.

The CEO thanked the Board and staff for their dedication and coming together, to support each other, and Members, safely through the challenging year. He thanked the Members for continuing to believe in Valley and the Credit Union system. The CEO received a question regarding the departure of Cindy Viner. The CEO responded to why she left and what the new changes to CUFM would be.

Credit Committee Report

Rick Graham gave the Credit Committee report as included in the AGM package.

Highlights:

The global pandemic has had a nominal impact on our credit portfolio this far. Lending activity remained strong. Loan loss provisions amounted to 0.15% of the total loan portfolio. Delinquency levels remained at 0.37% on average for the year.

CSER Committee Report

Kathleen Hutchinson gave the CSER Committee report, on behalf of Wayne Fowler, as included in the AGM package.

Highlights:

The support criteria for 2020 were Education, Sports, and Health and Wellness. The Committee supported many community-minded organizations in 2020, to a total amount of \$12,000.

Audit Committee Report

Andrea Martin gave the Audit Committee report as included in the AGM package.

Highlights:

The Committee met four times virtually. PWC was in during the month of March to perform our annual audit. It was a clean audit and Valley Credit Union is in a good position.

Review of Financial Statements

Ian Wilkie, Vice President Finance, gave a brief overview of the consolidated Financial Statements for Valley Credit Union for the year ended December 31, 2020.

Moved by Andrea Martin, seconded by Tracy Way, to accept the Audited Financial Statements, as of December 31, 2020, as included in the Annual Meeting package, and as presented. Motion carried.

Appointment of Auditors

Andrea Martin, Chair of the Audit Committee, recommended PriceWaterhouseCoopers to be the Auditors for the 2021 Year.

Moved by Christy Bishop, seconded by Doug Oldford, that the firm of PriceWaterhouseCoopers be appointed as the auditing firm for Valley Credit Union for the 2021 year. Motion carried.

Nomination Committee

Kathleen Hutchinson, of the Nomination Committee, presented the Nomination Committee report.

Four Directors' terms were up for renewal: Doug Oldford, Carol Tobin, Richard Graham, and Wayne Fowler. Three Directors are re-offering: Carol Tobin, Richard Graham, and Wayne Fowler. One Director gave notice due to work conflicts: Ken MacDonald. There were three nominations: Gerald Walsh, Christopher Killacky, and James Bell.

The Bylaws state the Board can consist of up to 12 members and, as the nominations bring the Board to 11, there is no need for a vote and all nominees are in by acclamation.

Kathleen Hutchinson thanked Doug Oldford for his many years of contribution and service, and Ken MacDonald for his contribution to the Board.

Moved by Richard Clark, seconded by Heather Montgomery, to accept the Committee reports, as included in the Annual Meeting package and as presented. Motion carried.

New Business

1. Bylaw Changes

Proposed Bylaw changes were brought to the Membership to be approved.

D1. Place

Current Bylaw: D1.01 The meetings of Members of VCU shall be held at such a place within the Province of Nova Scotia, as may be determined by the Board from time to time.

Proposed: D1.01 The meetings of Members of VCU shall be held at such a place within the Province of Nova Scotia or by virtual means or both, as may be determined by the Board from time to time.

D4. Annual General Meeting.

Current Bylaw: D4.01 The Board of VCU shall call an Annual General Meeting of the Members to be held 120 days after the end of the fiscal year at VCU

- 1.To consider the Annual Report of the Board, the Financial Statements of the VCU, and the Auditors Report
- 2.To appoint the Auditor
- 3.To elect Directors, and
- 4.To deal with such other matters as may properly come before the meeting

Proposed: D4.01 The Board of VCU shall call an Annual General Meeting of the Members to be held 120 days after the end of the fiscal year end of VCU,

- 1.To consider the Annual Report of the Board, the Financial Statements of the VCU and the Auditors Report
- 2.To appoint the Auditor
- 3. To elect Directors, and
- 4.To deal with such other matters as may properly come before the meeting

In the event of unusual or extreme circumstances (e.g. public health, war insurrection, etc.) The Board may, with written consent of the Superintendent of Credit Unions, defer the Annual Meeting beyond the 120 days subject to any terms the Superintendent may impose.

D11. Methods of Voting.

Current Bylaw: D11.01 Voting at a meeting of Members shall be by a show of hands or by a voice response except where a ballot is demanded by a Member to vote at the meeting. VCU will also provide a system for in branch voting at the branch of the account holder and add the results from the Annual General Meeting Vote.

Proposed: D11.01 Voting at a meeting of Members shall be by a show of hands or by a voice response except where a ballot is demanded by a Member to vote at the meeting. VCU will also provide a system for in branch voting at the branch of the account holder and add the results from the Annual General Meeting vote. Voting may also be done by electronic means when attendance at the meeting, in whole or in part, is virtual.

Moved by Joanna McGrath, seconded by Matthew Dubois, that the proposed amendments for the Bylaws be approved, as presented. Motion carried.

Adjournment

Moved by Matthew Dubois, that the April 22, 2021 Annual General Meeting be adjourned at 6:50pm. Motion carried.

Staff Service Awards

25 YEARS

Holly Veinot - Turner
Carla McDow

15 YEARS

Rebecca Coleman

10 YEARS

Cindy Teal
Shawna Lake

Maureen Markey

5 YEARS

Laura Marshall
Jessica Shaw



Thank you for your outstanding service as a Valley Credit Union employee.

Board of Directors



MARTIN GILLIS
12/12



ANDREA MARTIN
12/12



BRIAN STURNEY
12/12



CAROL TOBIN
11/12



RICK GRAHAM
12/12



WAYNE FOWLER
11/12



REGINALD ROSE
11/12



JAMES BELL
4/8



KATHLEEN HUTCHINSON
11/12



DOUG OLDFORD
3/4



CHRISTOPHER KILLACKY
3/4*

*Christopher Killacky resigned as a Board Member in 2021 due to other commitments.

Chair Report

I would like to start by thanking the management and staff for their continued dedication during what was yet another year of dealing with COVID. I would also like to welcome you back to the first in person Annual General Meeting in two years. This is also the first Annual General Meeting for our new CEO, Leigh Doucette. Welcome Leigh.

It has been a very busy year for your Board of Directors. Not only has there been continued COVID restrictions but, there was also an amalgamation vote and the retirement of Len Ells.

Although the proposed amalgamation did not happen this year, Valley Credit Union voted 86% in favor and Teachers Credit Union also voted in favor. East Coast Credit Union was just short of the required 66% required to move ahead with the amalgamation. The strong vote in support of the merger is an indication of support for the Board and the decisions we make and for that, we thank you. When we are approached regarding a merger with another Credit Union the Board, and staff, spend a great deal of time and effort to assess the proposal and benefits it would bring to our Members and staff of Valley Credit Union. Only if there are substantial benefits to the Members, staff, and the Credit Union do we bring to the Members for a vote

After 10 years as CEO, Len Ells retired in December 2021. I would like to thank Len for his dedication, to not only Valley Credit Union but, our communities and the regional system as a whole. Len was respected in the system as a person who was knowledgeable, willing to step up when needed, and would ask the tough questions. He led Valley Credit Union through changes including many of the electronic services which are widely used by

you today. On a personal note, I would like to say what a pleasure it was to work with Len. Decisions were always honest and respectful. Thank you, Len.



During 2021 there were 10 regular Board Meetings (mostly virtual), one Special Board Meeting, many Committee meetings, including five Executive Meetings. There was a new Committee need for 2021, the CEO Search Committee. This Committee included Andrea Martin, Rick Graham, Kathleen Hutchinson, and myself. There were applicants from across the country. Leigh Doucette started with Valley Credit Union in December. He has moved here with his wife Renee from Calgary. The Board looks forward to working with Leigh and we would like to welcome him to the Valley.

Because of the commitment of staff and management we have once again had a successful year finishing with assets of approximately \$260 million.

I would like to thank the Board for their hard work and dedication over the past year. As Chair, I have appreciated the sometimes spirited discussions and, at the end of the day, the support for the decisions made.

Finally, I would like to thank you, the Members, for your support and commitment to Valley Credit Union which has made us such a success.

Sincerely,

A handwritten signature in black ink that reads "Martin Gillis". The signature is written in a cursive, flowing style.

Marin Gillis, Board Chair

CEO Report

Challenges abound. I think back to when we first started hearing about COVID. It seems so long ago now. That was late 2019 and very early 2020. At first, it seemed far away. Then its impact hit us at home. Wave one hit us in March 2020. I think many people thought and hoped it would be a 'one-and-done' situation. However, wave two began in November 2020. The third wave started hitting us in April 2021. And, Unfortunately a fourth wave also hit around August 2021. We have, at times, endured rapidly changing messaging from levels of government who are trying to manage this, and keep us all safe. We have endured difficulties and delays in obtaining vaccines, and in securing rapid tests. We have endured the Atlantic Bubble, border restrictions, travel restrictions, vaccine passports, plexiglass dividers, masks, and hand sanitizer. We have endured the impact that this has had on all of us: staff, Members, and families. But we have all persevered. The Valley has persevered. And Valley Credit Union has persevered.

COVID has admittedly impacted us and I can't deny that it has been felt at Valley Credit Union. Due to ongoing difficulties with staffing levels related to COVID, and reduced transactional volumes, we have made the difficult decision to reduce hours in some of our branches (Middleton, Bridgetown, Hantsport, and Canning). We set up rotational coverage staffing to serve our Members in these areas. This has had an impact on both staff and Members, and we thank everyone for their devotion, loyalty, and patience through these times.

The continued good work of re-visiting and updating the Business Continuity Plan, and staff and Members closely adopting and continuing to follow Public Health recommendations, has

helped us to continue to serve our Members. We maintain the ability to react to Government direction and restrictions and adapt our service model to our own local conditions. Valley Credit Union has continued to develop communications and guidelines for Members and staff to ensure we can stay open in our communities while simultaneously keeping our staff and Members safe. In 2020, we adopted more electronic capabilities, such as virtual appointments and meetings, DocuSign, International Transfers, Apple Pay, Google Pay among others, and we continue to use these in 2021 and beyond to assist Members with convenient ways to bank.

The uncertainty that COVID brings to our economy remains. At the writing of this report, we have now surpassed two years of these uncertainties whilst trying to gauge the long-term impact on all of our lives. VCU continues to have close contact with Members and assist those that have felt the financial impact more than others. Since the start of the pandemic, we have facilitated the funding of approximately \$8MM in Government assistance loans. We continue to experience very strong deposit growth, and for the second consecutive year, we enjoyed strong surplus funds at year-end. Additionally, we have had good growth on our lending book, primarily in residential mortgages, and in commercial lending overall. Our total asset growth was our second highest ever, and only second to the previous year's growth (2020).

2021 saw the launch of CU Financial Management (CUFM). It is owned by 16 credit unions and was developed to provide a strong wealth offer and advice to our Members. In 2021, VCU referred \$1.7MM to CUFM and they have already established strong relationships with our Members.

In 2021, we also had the opportunity for a merger with two like-minded Credit Unions and this was worked on in the Spring culminating with a vote in June. Although the merger didn't happen, it shows that VCU continues to investigate intuitive ways to do banking, provide service, and offer solutions to our Members, now, and in the future.

Our decision to invest heavily in technology continues to become more paramount with each passing day as the pandemic has continued to impact how everyone does business, and a competitive environment exists. These costs can be significant, and we will continue to work with our Atlantic partners to find solutions to modernize and evolve the way we all do banking, while managing the change that is associated with it.

We continue to be deeply involved in our communities, regardless of COVID's impact. Valley Credit Union, the Kindness Crew, and employees give their time and their resources to support those who need it most in our communities. Our community involvement includes events/programs such as Coldest Night of the Year, School Breakfast Programs, Pay-it-Forward, Food Drives, SPCA, Make a Wish, and Valley Regional Hospital Foundation, among others. For the second year, we were involved in Loyal2Local where Credit Unions provide staff with gift cards to spend at local businesses. We remain very engaged with The Flower Cart Group and are very excited as they focus on expanding their operations in 2022 and thereby expanding the support they can provide in our communities.

I want to thank our Members for being loyal and patient during challenging times. I also want to thank everyone at VCU for their continued



dedication and devotion to our Members. We are well positioned and adaptable which will serve us well in the future as we continue to look for ways to provide an elevated level of service and value to our Members and communities.

Sincerely,

A handwritten signature in black ink that reads "Leigh Doucette".

Leigh Doucette, President & CEO

Usage of Member Direct Features

Total Interac Flash Payments	1,172,560
Total E-Transfer Transactions	344,272
Mobile Wallet Transactions	17,155
(Since launch in June 2021)	

Credit Committee Report



As a standing committee of your Board of Directors, the Credit Committee's mandate is as stipulated in the Credit Union Act; that being to "ensure the compilation, clarity and accuracy of the data required by the Act, while recommending policies and procedures for approving and granting credit at the Valley Credit Union".

For fiscal 2021, your Credit Committee, consisting of Rick Graham (Chair), Brian Sturney and Reg Rose, and assisted by Glenn Jordan (Manager of Credit Risk), met six times; where loan activity was examined, reviewed and compared to budgets and targets, while ensuring the ratio of personal, mortgage and business lending in the credit portfolio is maintained within the concentration ranges as approved by your Board. In addition, our regular reviews included examination of delinquency causes and remedial actions undertaken, so to:

- Identify trends that may be reflective of the economic uncertainties, and
- Ensure Members are assisted in managing their obligations,
- While concurrently ensuring that our efforts are demonstrated to be timely and diligent, so to protect your Credit Union's assets.

We are pleased to report the following:

- With the persistence of the Covid pandemic throughout the year and the subsequent adverse developments globally, consequential economic realities remain far from clear. Happily, the impact on our credit portfolio has been nominal.
- Lending activity remained very strong, in accordance with our strategies despite the economic impacts referred above. The solutions provided to our Members were diverse and well-suited to meet the Member needs. This is especially true of our Commercial offer, where our growth for 2021 clearly

demonstrates the quality of our strategy, our Team and our offerings when compared to our competitors. Loan portfolio growth amounted to approximately \$27 million or 15.1% during the year under review.

We continued to refer residential mortgages to our partner, League Savings and Mortgage, in an effort to sustain said growth, maintain accretive loan spreads and manage our liquidity,

- Loan loss provisions in 2021 amounted to 0.03% of the total portfolio and 78.2% of the approved budget for the year;
- Delinquency levels remained at 0.36% on average for the year and ended at 0.20% for fiscal year end.

In all and as evidenced by the above, our lending portfolio remains of very good quality.

All staff are to be congratulated on our lending successes in 2021 ; through continuous focus on meeting our Members' needs and appropriate levels of Risk Management, with continued investment in staff skill development as full-service advisors.

On behalf of the Credit Committee,

Rick Graham, Chair



Approved Credit

Consumer Loans	\$15,290,292
Commercial Loans/LOC	\$74,357,855
Personal LOC	\$13,744,770
Residential Mortgages	\$93,221,724
Commercial Mortgages	\$6,858,656

CSER Committee Report



The Corporate Social and Environmental Responsibility (CSER) Committee has been established by Valley Credit Union (VCU) to ensure that we are allocating financial support to our Members and community non-profit groups to assist them with unique institutional goals and allow their programs to thrive and prosper. Again, this year due to the COVID-19 pandemic it was difficult to meet in person. We would certainly like to take this time thank the members of the CSER Committee for making the time and effort to meet virtually to ensure the benefits to the communities we represent we conducted as mandated by the VCU board of directors.

Valley Credit Union's CSER Committee is comprised of representatives from the Board of Directors and the staff, who act as a resource and give guidance to the Committee. The CSER Committee is committed to the long-term well-being of our Members and the communities we serve. Our priority areas of focus for 2021 focused on the following support criteria:

1. Education - to sponsor events and activities that support youth and life-long education
2. Sports - to support community strength and healthy living
3. Health and Wellness - to support organizations/events that benefit the community.

In keeping with our mandate, we offered financial support to the following community-minded organizations during 2021:



Kings County 4H	\$2,000.00
Music in Communities Co-op	\$2,000.00
Caring for loved ones with an eating disorder	\$1,165.48
V Star Hockey	\$1,000.00
Valley Women's Business Networking	\$1,000.00
AMHA U15 Hockey Team 2021-2022	\$500.00
Middleton District Daycare Centre	\$1,000.00
Valley U13AAA Hockey	\$500.00
Western Valley Hockey	\$500.00
Stockings Were Hung	\$1,000.00
Acadia Minor Hockey	\$500.00
SPCA	\$334.52
Valley District Soccer Association	\$500.00

Total Budget \$12,000.00

We would like to thank the CSER Committee for all their hard work and commitment in 2021.

Sincerely,

Wayne Fowler, Committee Representative

Audit Committee Report

The 2021 Audit Committee was comprised of Carol Tobin, Andrea Martin, Martin Gillis and retired Directors Doug Oldford and Chris Killacky. We were supported in our duties by Ian Wilkie. The Committee met three times in 2021 and met in March 2022 with our auditors from PriceWaterhouseCoopers. All meetings were held virtually.

The Committee has a responsibility to review the financial position of the Credit Union. We meet twice a year with PwC to review the audit plan and receive the results of the yearly audit. The Committee also reviews any recommendations made by the external auditors, and other audit or examination reports received by Valley Credit Union, both internal and external. We have adopted a mandate which covers all the duties specified to be performed by Audit Committees in the Credit Union Act, 1994.

The Audit Committee is pleased to report to the members of Valley Credit Union that your Credit Union continues to meet the requirements within the policies established by the Board of Directors and is well positioned for 2022.



Sincerely,

A handwritten signature in black ink that reads "Andrea Martin".

Andrea Martin, Chair

Assets Under Management

2013	\$138,855,215	2017	\$171,591,058
2014	\$141,389,505	2018	\$176,898,469
2015	\$152,503,506	2019	\$199,525,526
2016	\$154,151,945	2020	\$232,571,751
2021	\$260,410,443		

Community Support Report

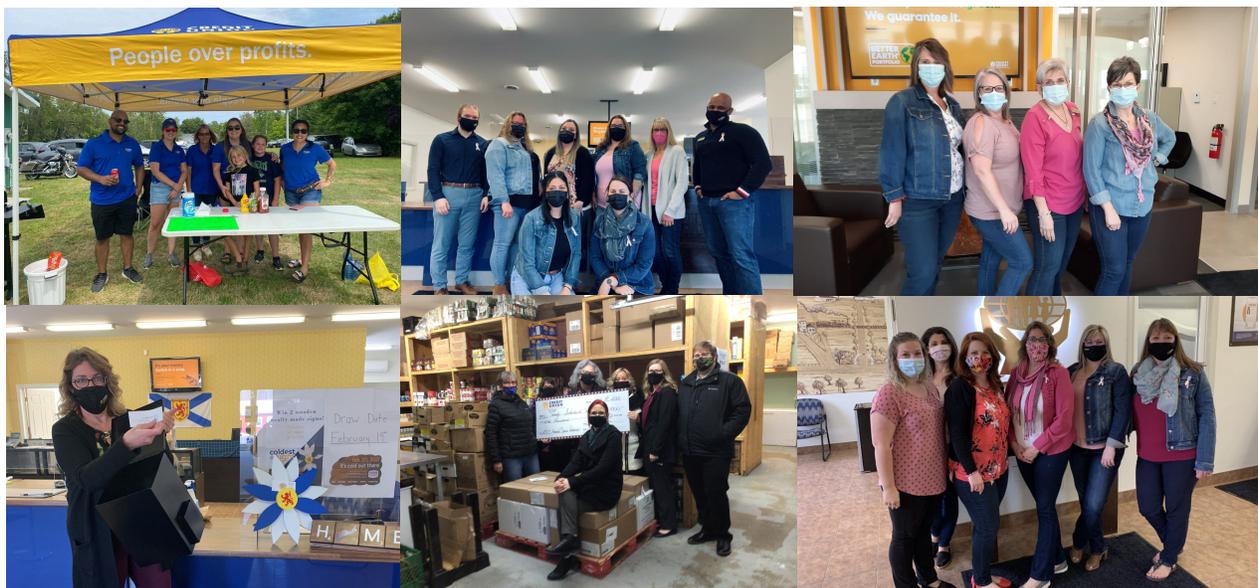
In addition to the efforts made by the CSER Committee, Valley Credit Union also takes initiative through the Kindness Crew Committee made up of staff from Head Office and all our seven branches. In 2021, Valley Credit Union, through the Kindness Crew initiatives, continued to uphold its commitment to helping build better communities by giving back in a variety of ways. As we have in the past, VCU made generous donations to a variety of organizations this year and staff have volunteered at a variety of events and fundraisers.

Valley Credit Union offers community support through a variety of ways. Branches support local initiatives that are specific to their area, Corporate supports initiatives that benefit the Annapolis Valley as a whole, and the Board supports larger, long-term commitments that benefit our communities.

Preference is given to those organizations likely to provide lasting benefits, and whose values best

reflect those of VCU Membership. During the reporting period, we supported a variety of organizations including (but not limited to):

- Apple Blossom Festival
- AVRCE Breakfast Program
- Berwick Area Minor Baseball Association
- Blue Jay Day
- Coldest Night of the Year
- Community Food Banks
- CURE Foundation National Denim Day
- Kingston/Greenwood Mental Health Association
- Nova Scotia Ground Search and Rescue Association
- Open Arms
- Picnic in the Park
- Police Association of Nova Scotia
- Rotary Club
- SPCA of Kings County
- Stockings were Hung
- The Royal Canadian Legion
- Valley Rib Fest







**CREDIT
UNION**

VALLEY



www.valleycreditunion.com