



**A Proud and Active
Part of Our Community**

LAHAVE RIVER



**CREDIT
UNION**

Banking For Everyone

ΒΑΝΚΙΝῆ ΓΟΙ ΕΛΛΙΝΟΥΣ

2022 Annual Report

2022 Annual Report

2022 in Review - Reports - Financials

Contents

Meeting Agenda	3
Minutes of 2021 Annual General Meeting	4
Management and Staff	6
Products and Services	7
Independent Auditors Report	10
Statement of Financial Position	12
Statement of Comprehensive Income	13
Statement of Retained Earnings and Special Reserve	14
Statement of Cash Flows	15

Annual General Meeting

April 5, 2023 - 7:00 PM

Pleasantville Fire Department

1665 NS-331, Pleasantville, NS

LaHave River Credit Union

29 North St. Bridgewater, NS B4V 1R9

LAHAVE RIVER



Banking For Everyone

2022 Annual Report

2022 in Review - Reports - Financials

Pleasantville Fire Department

1665 NS-331, Pleasantville, NS

Agenda – April 5, 2023 - 7:00 PM

Call to Order and Welcome

Appointment of AGM Parliamentarian and Scrutineer

Declaration of Quorum

Opening Remarks, Purpose of Meeting and Introductions

Approval of the minutes of the last meeting

Report of Board Chair

Report of CEO

Report of the Auditor

Appointment of Auditor for 2023

Old Business

New Business – Special Resolution – Bylaw Revision

Closing Remarks

Adjournment

TOGETHER WE CAN INVEST
IN OUR COMMUNITY AND OUR LOCAL ECONOMY.

LAHAVE RIVER



Banking For Everyone

2021 ANNUAL GENERAL MEETING MINUTES

APRIL 21, 2022

Bridgewater Legion

78 Churchill St

Bridgewater, NS

Registration 6:00

Mike Hurley CEO CUDIC called the meeting to order at 7:03p.m.

There were 22 Members in attendance and 3 guests.

Motion: Moved by Al Sullivan, seconded by Karen Reinhardt that the meeting be called to order. – Carried

A minute of silence was observed for those members who had become deceased since the last AGM.

Mike Hurley welcomed all to LaHave River Credit Unions 2021 AGM. He introduced and noted he will be acting as Chair for the evening. All questions can be asked at the end of each session.

Motion: Moved Karen Reinhardt, seconded by Emily d'Entremont that the agenda be accepted – Carried

Motion: Moved by David Maxwell, seconded by Patrick Henry that we approve the minutes for the 2020 LaHave River Credit Union AGM – Carried

Mike Hurley recapped 2021. He noted that it was a challenging year for staff due to COVID and many other items. We are now in a position to approve our new Board of Directors.

It was noted that some costs that were incurred during the year were not charged to LaHave River CU. Costs for recruiting, audit and legal expenses were an expense to LaHave River CU.

Our Board of Directors now consists of seven members. This has been confirmed. CUDIC spent a lot of time to ensure we had the correct people in the chair.

Our current CEO Shadia Jarmash has resigned effective May 20/22. Our executive recruiters that we had hired will look to hire a new CEO.

Miles Sweeney reviewed their audit report as circulated. This year LaHave River Cu paid a \$50,000.00 rebate to their members. Net assets increase 10% to \$59M, Net income decreased by \$12K, assets increased by \$5.3M, liabilities increase by \$4.9M, Equity increased by \$462K.

Retained earnings has increased each year as a result of profits and is now at \$5.2M. The current year profit was \$475K. Share capital decreased by \$13k and a special reserve of \$12.5K was created in 2020 for Domestic Violence Loans Recovery Program. Actual equity level is 96.% or assets compared to required level of 5%. Current challenges that were noted are

- Equity hares have decreased in each of the last 5 years
- Make efforts to grow the membership base
- Total loans decrease in 2021. Make efforts to issue good quality loans with good security to minimize risk of loan write offs.
- Continue to manage operating expenses closely

Miles thanks Management, staff and CUDIC for helping make their audit successful.

Motion: Moved by Patrick Henry, seconded by David Maxwell to appoint Miles T Sweeney Ltd as auditor for 2022. Carried

Motion: Moved by Al Sullivan, seconded by George Kennedy to accept MT Sweeney Financial Report for 2021 as presented.

The Board of directors was introduced. John Vissers, Al Sullivan, Peter Wagner, Karen Reinhardt, Gordon Kennedy and Greg LeBlanc.

We are still looking for another board member. Please let Debbie England know of a member that would like to sit. We are looking for a diverse board.

In twelve months CUDIC will back away once a full board and CEO and a strategic plan is created.

4 Draws were made for door prizes.

Motion: Call for a motion to adjourn at 7:43. Moved by John Vissers, seconded by Karen Reinhardt. Carried

Respectfully Submitted

Debbie England

Recording Secretary

Management and Staff

- Ken Shea, Acting CEO
- Debbie England, Branch Manager
- Jared Dodman, Commercial Accounts Manager
- Michelle Dionne-Varner, Financial Services Officer
- Andrew Caines, Financial Services Officer
- Amanda Parker, Financial Services Associate
- Debbie Kenyon, Compliance Officer
- Yvette Tanner, Administrative Officer
- Stacey Godfrey, Accounting Officer
- Brittiny Hill, Financial Service Rep.
- Nadine Murray-Mailman, Financial Service Rep.
- Evelyn Morrow, Financial Service Rep.



LaHave River Credit Union

Products and Services

Products

Lending Products

- Mortgages
- Lines of Credit
- Personal Loans
- Lines of Credit
- Vehicle Loans
- Investment Loans
- Student Loans
- Student Lines of Credit
- Eco-Loans
- Helping Hand Financing
- Personal MasterCard® Credit Cards
- Helping-Hand Financing

Services

Online Service

- Email Money Transfer
- Mobile Banking
- Online Banking
- TeleService
- E-Statements
- Bill Payments
- Mobile Apps
- Deposit Anywhere
- Interac Flash
- Interac Online
- Lock n Block

Products and Services

Investment Products

- Variable Registered Retirement Savings Plans
- Fixed Registered Retirement Savings Plans
- Guaranteed Income Certificates (GIC)
- Registered Education Savings Plans (RESP)
- Registered Retirement Income Funds (RRIF)
- Tax Free Savings Accounts (TFSA)
- Mutual Funds
- Ethical Investing

Personal Banking

- Personal Savings Accounts
- Variety of Personal Chequing Accounts
- High Interest Savings Accounts
- US Chequing Accounts
- Electronic Cheque Deposit
- Mobile Account Opening

Protection Products

- Creditor's Insurance (Life/Disability/Critical Illness)
- Overdraft Protection
- Credit Union Deposit Guarantee Corporation

Business Banking

- Variety of Business Packages
- Community/Not-for-Profit Accounts
- Business Operating Lines of Credit
- Business Term Loans
- Business Equipment Financing
- Business Mortgages
- Business Visa Credit Cards

Other Services

- Safety Deposit Boxes
- Money Orders
- Bill Payments
- Foreign Exchange
- Travel Insurance

Programs

- 100% Mortgage Financing
- Dealer Financing
- Payroll Services
- Point of Sale (POS)
- Click Switch
- NS Gov't Guarantee Small Business Program

FINANCIAL STATEMENTS

Lahave River Credit Union Limited
December 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Lahave River Credit Union Limited

Opinion

We have audited the financial statements of Lahave River Credit Union Limited (the Credit Union), which comprise the statement of financial position as at December 31, 2022, and the statements of comprehensive income, retained earnings and special reserve and cash flows 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, 2022, and the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)

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 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.

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 IFRS, 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.

(continues)

Independent Auditor's Report to the Members of Lahave River Credit Union Limited (*continued*)

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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

Miles J. Sweeney Limited

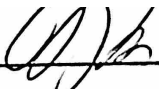
Dartmouth, Nova Scotia
March 21, 2023

CHARTERED PROFESSIONAL
ACCOUNTANTS

Lahave River Credit Union Limited
STATEMENT OF FINANCIAL POSITION
 December 31

	2022	2021
Assets		
Cash resources (Note 6)	\$ 19,912,872	\$ 20,374,134
Income taxes receivable	-	47,508
Prepaid expenses (Note 20)	276,726	13,827
Members' loans (Note 7)	39,295,012	36,339,775
Long-term investments (Note 9)	1,607,296	1,484,997
Capital assets (Note 11)	333,696	349,203
Deferred income taxes (Note 13)	<u>35,396</u>	<u>27,611</u>
	<u>\$ 61,460,998</u>	<u>\$ 58,637,055</u>
Liabilities		
Payables and accruals (Note 8)	\$ 85,048	\$ 148,574
Members' deposits (Note 10)	54,678,997	52,762,602
Members' rebate payable	100,848	50,000
Income taxes payable	151,875	-
Deferred government grant (Note 19)	<u>50,000</u>	<u>50,000</u>
	<u>55,066,768</u>	<u>53,011,176</u>
Members' equity		
Equity shares (Note 12)	403,038	391,752
Special reserve (Note 21)	12,500	12,500
Retained earnings	<u>5,978,692</u>	<u>5,221,627</u>
	<u>6,394,230</u>	<u>5,625,879</u>
	<u>\$ 61,460,998</u>	<u>\$ 58,637,055</u>

Approved by the Board



Director



Director

(See accompanying notes to the financial statements)

Lahave River Credit Union Limited

STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31

	2022	% of Income	2021	% of Income
Income				
Loan interest	\$ 1,813,502	68.4	\$ 1,659,601	74.8
Investment income	<u>383,122</u>	<u>14.5</u>	<u>92,224</u>	<u>4.2</u>
	<u>2,196,624</u>	<u>82.9</u>	<u>1,751,825</u>	<u>79.0</u>
Interest and loan related expenses				
Distributions to members:				
Interest on deposits	161,061	6.1	128,073	5.8
Loan impairment losses (recoveries)	<u>110,918</u>	<u>4.2</u>	<u>(51,945)</u>	<u>(2.3)</u>
	<u>271,979</u>	<u>10.3</u>	<u>76,128</u>	<u>3.5</u>
Financial margin	<u>1,924,645</u>	<u>72.6</u>	<u>1,675,697</u>	<u>75.5</u>
Other income				
Revenue from contracts (Note 14)	378,162	14.3	393,320	17.7
Other	<u>75,870</u>	<u>2.9</u>	<u>72,567</u>	<u>3.3</u>
	<u>454,032</u>	<u>17.2</u>	<u>465,887</u>	<u>21.0</u>
Income before operating expenses	<u>2,378,677</u>	<u>89.8</u>	<u>2,141,584</u>	<u>96.5</u>
Operating expenses				
Administrative (see schedule)	421,664	16.0	488,694	20.1
Amortization of capital assets	21,411	0.8	26,208	1.2
Central service charges	51,919	2.0	42,482	1.9
Occupancy (see schedule)	46,110	1.7	59,407	2.7
Salaries, benefits, contracted services	735,797	27.8	892,213	40.2
CUDIC assessment	<u>41,603</u>	<u>1.6</u>	<u>43,795</u>	<u>2.0</u>
Total operating expenses	<u>1,318,504</u>	<u>49.9</u>	<u>1,552,799</u>	<u>68.1</u>
Income before rebate to members	1,060,173	39.9	588,785	28.4
Rebate to members	<u>100,000</u>	<u>3.8</u>	<u>50,000</u>	<u>2.3</u>
Income before provision for income taxes	<u>960,173</u>	<u>43.7</u>	<u>538,785</u>	<u>30.7</u>
Provision for income taxes (Note 13)				
Current	210,893	8.0	59,324	2.7
Future (recovery)	<u>(7,785)</u>	<u>(0.3)</u>	<u>4,308</u>	<u>0.2</u>
	<u>203,108</u>	<u>7.7</u>	<u>63,632</u>	<u>2.9</u>
Net income and comprehensive income	<u>\$ 757,065</u>	<u>36.0</u>	<u>\$ 475,153</u>	<u>27.8</u>

(See accompanying notes to the financial statements)

 Lahave River Credit Union Limited

STATEMENT OF RETAINED EARNINGS AND SPECIAL RESERVE

December 31

2022

2021

RETAINED EARNINGS

Balance, beginning of year	\$ 5,221,627	\$ 4,746,474
Current year's net income and comprehensive income	757,065	475,153
Appropriation from (to) Special Reserve	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 5,978,692</u>	<u>\$ 5,221,627</u>

SPECIAL RESERVE

Balance, beginning of year	\$ 12,500	\$ 12,500
Appropriation from (to) retained earnings (Note 21)	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 12,500</u>	<u>\$ 12,500</u>

(See accompanying notes to the financial statements)

Lahave River Credit Union Limited
STATEMENT OF CASH FLOWS
Year ended December 31

	2022	2021
Cash generated from (used in) operating activities		
Loan interest received	\$ 1,777,584	\$ 1,672,647
Investment income received	289,015	90,514
Other income received	75,870	72,567
Rebates received	-	42,266
Revenue from contracts received	378,162	393,320
Increase in members' deposits	1,916,395	4,865,428
Bad loans recovered	20,543	16,000
Interest paid on members' deposits	(144,902)	(134,318)
Decrease (increase) in members' loans	(3,050,781)	1,607,707
Rebates paid	(49,152)	(12,512)
Payments to suppliers	(903,877)	(617,756)
Payments to employees	(735,799)	(890,574)
Income taxes paid	(11,510)	(149,386)
	<u>(438,452)</u>	<u>6,955,903</u>
Cash generated from (used in) investing activities		
Purchase of investments, net of proceeds	(28,192)	(338,027)
Purchase of capital assets	(5,904)	(56,696)
	<u>(34,096)</u>	<u>(394,723)</u>
Cash generated from (used in) financing activities		
Equity shares issued (redeemed)	11,286	(13,394)
Net increase (decrease) in cash flows	(461,262)	6,547,786
Cash and cash equivalents, beginning of year	<u>20,374,134</u>	<u>13,826,348</u>
Cash and cash equivalents, end of year (Note 5)	<u>\$ 19,912,872</u>	<u>\$ 20,374,134</u>
Supplemental cash flow information		
Interest received from investments	\$ 247,038	61,977

(See accompanying notes to the financial statements)