



# 2022 ANNUAL REPORT



**LAKE VIEW**  
CREDIT UNION

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## LAKE VIEW CREDIT UNION

# 79<sup>th</sup> ANNUAL GENERAL MEETING

APRIL 5<sup>th</sup>, 2023 6:30pm

Hosted In Person

Calvin Kruk Centre for the Arts– Theatre room

10401 10th street, Dawson Creek , BC

Your Partner As You Define Your Future

## AGENDA

- Call to Order -*J. Kurjata*
- Welcome -*J. Kurjata*
- Registration Report -*J. Kurjata*
- Moment of Silence -*J. Kurjata*
- Appointment of Recording Secretary -*S. Lajeunesse*
- Adoption of Agenda -*J. Kurjata*
- Approval of Minutes from 78th AGM April 6<sup>th</sup>, 2022 -*J. Kurjata*
- Business arising from the Minutes -*J. Kurjata*
- Nominating Committee Report -*D. Rose*
- Board Chair Report -*J. Kurjata*
- Chief Executive Officer Report -*L. Archibald*
- Financial Report -*J. Lajeunesse*
- Auditor's Report -*M. Vogel, MNP, LLP*
- Appointment of Auditor -*D. Hamre*
- New Business -*J. Kurjata*
- Question & Answer Period -*J. Kurjata*
- Adjournment



MINUTES OF THE 78<sup>th</sup>  
ANNUAL GENERAL MEETING OF  
**LAKE VIEW CREDIT UNION**

Held on April 6<sup>th</sup>, 2022  
Virtually - GoToWebinar  
6:30 PM

**Call to Order:**

The Annual General Meeting of Lake View Credit Union is called to order by John Kurjata, Chair of the Board of Directors, at 6:30pm.  
John welcomed and thanked everyone that is joining via webinar Lake View Credit Union's virtual AGM.  
John acknowledged and thanked our First Nations, Metis and Inuit.

**Introduction of Panelists and Board Members:**

The following are panelists for the meeting  
John Kurjata – Board Chair  
Lori Archibald – CEO  
Shamir Mangalji- Board Vice-Chair, Director  
Dale Rose– Director, Chair of the Investment & Lending Committee  
Darren Hamre – Director, Chair of the Audit & Risk Committee  
Myles Mowat- Director, Chair of the Nominating Committee  
Cindy Thomson, Chartered Accountant, MNP  
Jerrilyn Kirk-Director  
Carmen Barber- Director

**Introduction of Guests on the Webinar:**

The Board Chair welcomes and introduces the guests online  
Tracey Wolsey, NPSCU  
Michael Whalley, NPSCU  
Janine Scheurmann, NPSCU  
Joseph Chua, BCFSA  
Hattie Wong, BCFSA  
Jeremy Picco, PRA  
Bill Corbett, STAB Central CEO  
Frank Chong, STAB Central  
Kathy Gallagher, CUMIS  
Barb Himmler, CUMIS  
Deirdre Kennedy, CUMIS  
Tracey Kliesch, Concentra

**Moment of Silence:**

A moment of silence is observed in memory of our deceased members. Special mention of Rhett Kjemhus, son of our Aviso advisor.

**Registration Report:**

In attendance - 35 Members, 11 guests  
Board Chair declared a quorum is present.

**Appointment of Recording Secretary:**

Moved that Selina Lajeunesse, Executive Assistant – Lake View Credit Union be appointed as the recording secretary

*Moved – Marlana Blouin*  
*Seconded – Justin Lajeunesse*  
*CARRIED*

**Adoption of Agenda:**

Board Chair called for a motion to adopt the agenda, with the prerogative of the Chair to change the order of the agenda, if required.

*Moved – Jerimy Earl*  
*Seconded – Joe Judge*  
*CARRIED*

**Approval of Minutes from the 77<sup>th</sup> AGM April 14, 2021:**

Board Chair called for a motion to approve the minutes of the Annual General Meeting dated April 14, 2021, as circulated after asking for any errors, corrections or omissions and hearing none.

*Moved – Lori Archibald*  
*Seconded – Selina Lajeunesse*  
*CARRIED*

**Business Arising from Minutes:**

None

**Nominating Committee Report:**

Myles Mowat presented the Nominating Committee report.  
The Nominating Committee consisted of 3 Directors – Myles Mowat as the Chair, Carmen Barber and Jerrilyn Kirk.  
In the 2022 election, there were 3 – 3-year director terms available.  
The Call for Nominations was open from January 6 – February 5, 2022.  
Incumbents John Kurjata, Dale Rose and Darren Hamre elected to stand for re-election, no additional submissions were received.  
John, Dale and Darren are awarded the three vacant positions by acclamation.

Myles Mowat moved to receive the Nominating Committee report as presented.  
*Seconded – Marlana Blouin*  
*CARRIED*

## **Board Chair & CEO Report:**

- John Kurjata & Lori Archibald together presented their report.
- John thanked the LVCU team for their hard work and dedication throughout COVID, especially the people on the front lines at all 3 branches. He recognized these jobs could not have been done without the support of the whole team, from the front lines to members services, the credit department, admin, and Executive team all under the very capable leadership of the CEO.
- John thanked the members for their support, we know it has taken a toll on everyone. It's time to put things in the past and move forward.
- It's time to redo our strategic plan and there is so much to consider. Forefront of the directors' minds, through every decision made, is how will this benefit or affect our members. The strategic plan process is a tough one and they need input from our members and our teams in the branches. John asked members to send their ideas and share them with our team to help put together a plan that matters to everyone.
- John thanked the directors of the Credit Union. The directors truly care about our Credit Union and work hard on your behalf. They challenge, they ask questions, and they push hard. John looks forward to the strategic planning process and another great year together.
  
- Lori extends her thanks for joining us. 2021 was full of challenges, many of which we never imagined, being front and center of a pandemic.
- The team was impacted several times over by the pandemic, it was not unusual for us to be operating less than half-staff. Depending on who was healthy and could get into the office would cover other vacant positions. Lori extended sympathy to those who lost loved ones to this virus.
- As summer approached COVID protocols eased. A smudging ceremony was held at a team building event marking the closure of COVID and celebrating new beginnings. A month later eternal influences brought us fires and floods and much uncertainty.
- Regulations increased as the welfare of all CU in B.C. had to be assessed.
- Accompanying Fall included new COVID variants and was a primary topic for discussion.
- Some commendable goals were accomplished such as a full transition to Softlanding, our network service provider, resulting in significant cost savings for the full year 2021. Our mandatory liquidity pool realized some changes and is running well. Updated online banking portals, with critical security features, a mortgage rate campaign and commercial deals come to fruition. Several team members acquired new knowledge and skills through post-secondary institutions and last we saw reduced work schedules, work from home arrangements and succession planning
- The elected board spent numerous hours reflecting on risks that Lake View Credit Union may face. This is critical work will assist us as we move into the digital world and payment modernization.
- A member survey was conducted in December to check in on member. Feedback was incorporated into many objectives moving into 2022
- The board also held an employee engagement survey in December to ensure their wellbeing

Moved that the Board Chair and the CEO report be accepted for information

*Moved – Joe Judge*

*Seconded – Suzanne Hansen*

**CARRIED**

### **Summary of Lake View Credit Union Financial Statements:**

- Delivered by Lori Archibald, CEO.
- For reference, the Audited Summary Financial Statements were circulated in the package.
- Lori began with the Summarized Consolidated Statement of Financial Position. All balances are from December 31, 2021 with a comparison to December 31, 2020 are expressed in millions of dollars.
- The Credit Union member loans portfolio notes minimal change year over year. Disbursements were greater than the prior year, but are reflective of multiple payouts of loan syndications held with other financial institutions. As a result of the payouts, we had to replenish those with member loans.
- As of December 31, 2021, the Credit Unions total assets were \$368.5 million staying relatively flat with the 2020 level of 368.2 million.
- Member deposits base dropped slightly by minus .5 in 2021. This was a result of excess liquidity.
- Review of the Summarized Consolidated Statement of Financial Position. The financial margin is the primary source of net revenue for the Credit Union. A year over year decrease in interest income reflects a low interest rate environment, renewals and our CU investments that were repriced at lower rates. Other income had great results and ended the year at 9.42 million in financial margin and other income to cover all other costs.
- Showed a year over year comparison of LVCU expenses. All areas noted reductions except for **General and Administrative**, with an increase, resulting from some COVID protocols being removed in 2021 and **Income tax expenses**, reflecting a substantial increase, with the inability to claim small business tax shelter.
- Comprehensive income and expenses- 2% shared dividend was paid.
- We encourage you to come in and visit us in person so we can help you with your financial planning.

### **Auditors Report:**

- Delivered by Cindy Thompson of MNP LLP, Prince George BC.
- Cindy stating with a high level of confidence that the financial statements derived from the audited financial statements of Lake View Credit Union for the year ended December 31, 2021, are a fair summary of those financial statements, in accordance with criteria described in Article 128 of the Financial Institutions Act of British Columbia.
- A copy of the summary financials posted online through Lake View's website. A copy of the full financial statements is available at all branches upon request.

### **Approval of Financial Statements:**

- Board Chair called on Darren Hamre, Chair of the Audit & Risk Committee
- The Audit and Risk Committee met on February 23, 2022, with Cindy Thomson of MNP to review the 2021 financial statements. The Committee recommended approval to the Board of Directors and the financial statements were successfully approved. The directors are recommending the financial statements to the membership for circulation.

Darren Hamre moved that the Auditor's report and the Summary Financial Statements for the year ending December 31, 2021, be approved for distribution to the membership.

*Seconded – Pamela Kesterke*  
**CARRIED**

**Appointment of Auditor:**

Darren Hamre moved that the firm of MNP, LLP Chartered Professional Accountants be appointed auditors for the year ending 2021 and that the Board of Directors be authorized to fix remuneration for said services.

*Seconded – Jerrilyn Kirk*  
*CARRIED*

**Special Resolution “A Rules”**

A summary of the proposed changes was included in the package. Board Chair, John Kurjata, gave an overview and explanation of each item proposed for change.

Moved to amend the “A Rules” as presented.

*Moved: Shelly Schilds*  
*Seconded: Brittiny Underwood.*  
*CARRIED*

**New Business:**

None.

**Question & Answer Period:**

None.

**Adjournment:**

Board Chair asked for a motion for the adjournment of the 78<sup>th</sup> Annual General Meeting of Lake View Credit Union at 7:25pm.

*Moved – Marlana Blouin*

DRAFT



# Board Chair & CEO Report



**LAKE VIEW**  
CREDIT UNION

The year 2022 brought much promise that COVID19 was well behind us and a new beginning of 'normalcy' in our history would transpire. Unfortunately, the pandemic aftereffects were farther than anticipated. Members were not as quick to resume past behaviors and in fact retained their deposits or added to them.

After a decade of persistently low interest rates and pressure on financial margins, the beginning of 2022 saw its first interest rate increase and the yield curve began to move higher. This was an opportune time to deploy some of our excess liquidity, which we did with a 5-year fixed low-rate mortgage campaign. The response was overwhelming, and we were pleased to have the lowest rate in the Peace region. The campaign ran until May, however interest rates continued to rise, and rise, and rise and the rate no longer was viable. This strategy was an opportunity to structurally hedge interest rate exposures by extended asset durations. We are pleased that we could offer this window of opportunity to our members and their family and friends. One of the many benefits of your local credit union. We can be nimble and quickly adapt as circumstances unfold.

LVCU noted a decreased demand from members personal borrowings in 2022. This we believe was the direct result of inflation and the higher costs to purchase necessary amenities. Further, we believe the increase in member deposits was also reflective of inflation awareness and the need to ensure emergency fund availability. While negotiating interest rates was somewhat challenging given the market, our 100% deposit guarantee remains a very attractive feature in credit unions.

Commercial lending remained strong, and we were able to satisfy our members' needs in this regard and participated in some commercial loan syndication deals with our peer credit unions. The return on these deals as well as the increased return on our investments assisted in creating a strong financial margin for 2022.

Several initiatives were undertaken, as suggested by BCFSFA (British Columbia Financial Services Authority) this year. Increased fraud and cybercrime continue to plague financial institutions requiring us to continually assess and update security features, different software, and policies and procedures. We also took a deep dive into the data our system holds and added information to our member profiles allowing for specific queries. This will assist BCFSFA and us in being proactive and mitigating any concentration risks or deficiencies in our portfolio and the BC system. Outsourcing and the implications of choosing credible suppliers also was top of mind. Strategies and policies are in development that will ensure we mitigate risks associated with our partners that ultimately could impact LVCU and our reputation.

Member satisfaction and the use of our products and services is paramount at LVCU. To ensure we keep abreast of this, several interviews with members were held. We also have an online channel for member feedback anytime. This information provides much insight into not only member satisfaction but also insight into what may be lacking or desired.

Through our strategic plan refresh in 2022, our Board of Directors built on this interview process starting with our valued team members and extending it to more members and non-members as well. The mandate of the collection was to create a realistic strategic plan for the next three years, beginning 2023. Catapulting LVCU forward 5, 10, 20 years into the future meant your Board had to critically assess the opportunities and threats that would be encountered along the way.

Your board digested statistics, white papers, opinions, and our member views when determining the best future course for our credit union. Our local autonomy has always been important to us. It allows us to treat all members in accordance with their unique needs. Credit Unions were founded on cooperative principles, and we believe those principles are relevant. That said, we also believe it is prudent for us to continually assess the risks and costs associated with being a standalone credit union. We have directed our executive team to develop metrics that will assist us in this regard. Is this good for our members? That's the first question always asked when making important decisions for our credit union.

The face of banking is changing at a rapid pace. Payment's modernization is anticipated to begin in 2024 as Canada's current model lags behind most countries. Open banking is another concept expected to begin in earnest in 2024 as well. This will enable all account holders to move their deposit business to other providers instantly. This will create issues regarding liquidity and cash management. Top of mind is cyber security which is evidenced every day in some shape or form. Member education is paramount as fraudsters are gaining momentum and determining smarter and quicker ways to outsmart security. Cyber insurance we anticipate will double costs over prior years coverage due to this growing risk in all financial institutions. Finally, we must consider the impact of all credit unions' difficulty in attracting the younger demographic. Loyalty is given when there is no better value alternative.

Lastly, it is important to share with you our decision concerning our employees and some of the measures we have taken to ensure their engagement and content with LVCU. Specific skillsets are required to successfully manage a credit union and we are providing all employees with the opportunity to further their knowledge and career. This also holds great value to LVCU as we know that bringing in people with the required skillsets into our area only provides short-term benefit. Growing and supporting our local community members and retaining them through their working career benefits all. In this regard we have also extended work from home arrangements to many of our administrative team. The results have been amazing and evidence our commitment to a healthy work life balance. This change has also resulted in our ability to better serve our members. In 2022 we extended our hours to include a call center available on Saturdays. While this has not received the reaction we thought it would, it has certainly been very beneficial to individuals who inadvertently enter their pin too many times and cannot get access to their money.

Of final note is our sincere thanks. Our thanks to you, our members for allowing us to service your financial needs, and our gratitude and 'job well done' to our LVCU team who continually rise to the challenges we encounter.

Respectfully,

John & Lori



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



To the members of Lake View Credit Union

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2022, the summary statement of comprehensive income for the year then ended, are derived from the audited financial statements of Lake View Credit Union (the "Credit Union") for the year ended December 31, 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the financial reporting provisions of Article 128 of the Financial Institutions Act of British Columbia.

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Credit Union's audited financial statements and the auditor's report thereon.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 28, 2023.

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

Management is responsible for the preparation of the summary financial statements in accordance with the financial reporting provisions of Article 128 of the Financial Institutions Act of British Columbia.

### Auditor's Responsibility

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

Prince George, British Columbia

February 28, 2023

**MNP LLP**

Chartered Professional Accountants

### Summary Statement of Financial Position

As at December 31, 2022

	2022	2021
<b>Assets</b>		
Cash and cash equivalents	7,019,562	17,964,271
Investments	135,554,191	131,886,797
Loans to members	231,833,544	213,265,835
Property and equipment	4,022,887	4,288,126
Intangible assets	374,743	306,835
Other assets	525,695	708,316
Deferred income tax assets	358,672	144,433
	<b>379,689,294</b>	<b>368,564,613</b>
<b>Liabilities</b>		
Deposits from members	349,825,845	340,166,423
Other liabilities	1,029,945	731,076
Income taxes	18,406	176,981
Membership shares	113,547	118,041
	<b>350,987,743</b>	<b>341,192,521</b>
<b>Members' equity</b>		
Membership shares	1,021,927	1,062,371
Retained earnings	28,193,233	26,426,954
Accumulated other comprehensive income	(513,609)	(117,233)
	<b>28,701,551</b>	<b>27,372,092</b>
	<b>379,689,294</b>	<b>368,564,613</b>

Approved on behalf of the Board:

DocuSigned by:  
  
Director  
ACD78F773468

Director

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

## Summary Statement of Comprehensive Income

For the year ended December 31, 2022

	2022	2021
Financial income	9,841,183	8,901,874
Financial expense	1,530,613	1,416,969
Net interest margin	8,310,570	7,484,905
Provision for allowance for impaired loans	601,322	10,117
Net interest margin	7,709,248	7,474,788
Other operating income	1,751,377	1,948,305
Total operating income	9,460,625	9,423,093
Total operating expenses	6,926,883	6,776,371
Dividends and patronage on membership shares	28,754	2,085
Income before income tax expense	2,504,988	2,644,637
Income tax expense	523,659	646,815
Net income	1,981,329	1,997,822
Other comprehensive loss	(396,376)	(117,233)
Comprehensive income	1,584,953	1,880,589

# Board of Directors

## Accountability Report



**LAKE VIEW**  
CREDIT UNION



### John Kurjata, Chair

Ex-officio on all Committees

Term/Years of Service	Attendance at Board Meetings	Attendance at Committees	Remuneration 2022	Expenses 2022	Training/ Education
2022-2025 8 Years	11/11—Board	Audit & Risk - 5 Investment & Lending - 4 Governance - 4 Nominating -1 Northline meeting -2 Strategic planning sessions-2	\$8,350 Board Chair Stipend - \$4,000 Total - \$12,350	\$0	CUDA- Course Emotional Intelligence – Diversity, Equity and Inclusion



### Shamir Mangalji, Vice – Chair

Chair: Governance, Community & Policy Committee

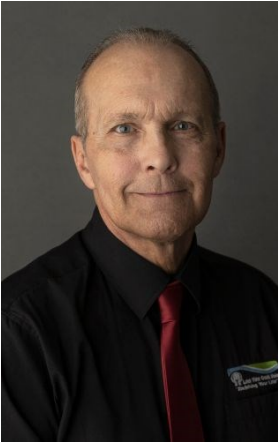
Term/Years	Attendance at Board Meetings	Attendance at Committees	Remuneration	Expenses	Training/ Education
2020-2023 3 Years	11/11—Board	Governance - 5 Northline meeting -2 Strategic planning sessions-2	\$6,100 Committee Chair Stipend— \$400 Total - \$6,500	\$0	CUDA Course Emotional Intelligence – Diversity, Equity and Inclusion



### Carmen Barber, Director

Member: Audit & Risk, Investment & Lending Committee

Term/ Years of Service	Attendance at Board Meetings	Attendance at Committees	Remuneration 2022	Expenses 2022	Training/ Education
2021-2024 5 Years	11/11—Board	Audit & Risk - 5 Investment & Lending - 4 Northline meeting -2 Strategic planning sessions-2	\$6,450 Total - \$6,450	\$0	CUDA Course Emotional Intelligence – Diversity Equity & Inclusion



## Myles Mowat, Director

Member: Governance Community & Policy Committee, Nominating Committee

Term/Years of Service	Attendance at Board Meetings	Attendance at Committees	Remuneration 2022	Expenses 2022	Training/ Education
2021-2024 12 Years	11/11—Board	Governance - 5 Nominating - 1 Northline meeting -2 Strategic planning sessions-2	\$6,350 Total - \$6,350	\$0	CUDA Course - Emotional Intelligence – Diversity, Equity and Inclusion



## Darren Hamre, Director

Chair: Audit & Risk Committee

Term/Years of Service	Attendance at Board Meetings	Attendance at Committees	Remuneration 2022	Expenses 2022	Training/ Education
2022-2025 8 Years	11/11- Board	Audit & Risk - 5 Investment & Lending - 4 Nominating - 1 Northline meeting - 2 Strategic planning sessions-2	\$7,350 Committee Chair Stipend -\$500 Total - \$7,850	\$0	CUDA Course - Emotional Intelligence – Diversity, Equity and Inclusion



## Jerrilyn Kirk, Director

Member: Governance, Community & Policy Committee

Term/Years of Service	Attendance at Board Meetings	Attendance at Committees	Remuneration 2022	Expenses 2022	Training/ Education
2020-2023 6 Years	10/11—Board	Governance - 4 Northline meeting -2 Strategic planning sessions-2	\$5,650 Total - \$5,650	\$3,827.65	CUDA Course - Emotional Intelligence – Diversity, Equity & Inclusion



## Dale Rose, Director

Chair: Investment & Lending Committee, Nominating Committee

Member: Audit & Risk Committee,

Term/Years of Service	Attendance at Board Meetings	Attendance at Committees	Remuneration 2022	Expenses 2022	Training/ Education
2022-2025 7 Year	10/11—Board	Audit & Risk - 5 Investment & Lending - 4 Nominating - 1 Northline meeting -2 Strategic planning sessions-2	\$7,200 Committee Chair Stipend -\$400 Total - \$7,600	\$0	CUDA Course - Emotional Intelligence – Diversity, Equity & Inclusion

FROM ALL OF US AT



**LAKE VIEW**  
CREDIT UNION

Thank you for your  
continued support

