



**CREDIT
UNION**

ST. JOSEPH'S

ANNUAL REPORT

2022

LIST OF DIRECTORS AND COMMITTEE MEMBERS

2022-2023

Board of Directors

David George – Chair
Maurice Boudreau – Corporate Secretary
Tanya Sampson – Vice-Chair
Marion Mury – Director
Leo Samson – Director
Nathan Boudreau – Director
Terrance Tyrrell – Director
Donald Goyetche – Director
Brian LeBlanc – Director

Credit Committee

Nathan Boudreau (Chair)
Tanya Sampson
Maurice Boudreau

Audit & Risk Committee

Donald Goyetche (Chair)
Brian LeBlanc
Terrance Tyrrell

Policy Committee

David George (Chair)
Donald Goyetche
Marion Mury

Personnel Committee

Tanya Sampson (Chair)
Karen Doyle
Leo Samson

Youth Committee

Jessica Marchand
Tiffany Kehoe
Katrina Cooper-Boudreau
TC Fougere

Nominations Committee

Maurice Boudreau
Tanya Sampson
Donald Goyetche



Meeting Agenda

86th Annual General Meeting of the St. Joseph's Credit Union April 24th, 2023

Call to Order and Welcome

Opening prayer (One minute of silence for deceased members)

Greetings from the Chair

Declaration of a Quorum

Approval of Agenda

Approval of Minutes of Previous Meeting (May 30, 2022)

Presentation and Approval of Reports

- Report from the Chair
- Report from the General Manager
- Credit Committee Report
- Audit & Risk Committee Report
- Report from the Nominations Committee
- Auditor's Report/Financial Statements

New Business

- Appointment of Auditors
- Service Awards / Board Recognition

Door Prizes

Adjournment

St. Joseph's Credit Union
85th Annual General Meeting
May 30th, 2022, Little Anse Social Action Centre

Vice-Chair, Tanya Sampson called the meeting to order at 6:00 pm.

BOARD MEMBERS

Tanya Sampson, Donald Goyetche, Terrance Tyrrell, and Brian LeBlanc

GREETINGS FROM THE VICE-CHAIRPERSON

Vice-Chair, Tanya Sampson welcomed everyone and introduced the Board of Directors and special guest, Kyle Musial, Senior Manager of MNP.

ESTABLISHMENT OF A QUORUM

Amanda Martell reported that a quorum had been established with 39 members and 1 guest present.

APPROVAL OF AGENDA

It was moved by Karen Doyle, seconded by Eleanor Boudreau, that the agenda be approved as presented. Motion Carried.

APPROVAL OF MINUTES OF PREVIOUS MEETING

It was moved by Michelle Hearn, seconded by Anthony Thibeau, that the minutes of June 14, 2021, be approved as circulated. Motion Carried.

BUSINESS ARISING FROM THE MINUTES

There was no business arising from the minutes.

PRESENTATION OF REPORTS

1. **Chairperson's Report** – This report was presented by Tanya Sampson, Vice-Chair.
It was moved by Eleanor Boudreau, seconded by Amanda Martell, that the Chairperson's Report for 2021 be accepted as presented. Motion Carried.
2. **General Manager's Report** – This report was presented by Michael Boudreau, General Manager.
It was moved by Tanya Martell, seconded by TC Fougere, that the General Manager's Report for 2021 be accepted as presented. Motion Carried.
3. **Credit Committee Report** – This report was presented by Tanya Sampson.
It was moved by Karen Doyle, seconded by Eleanor Boudreau, that the 2021 Credit Committee Report be accepted as presented. Motion carried.
4. **Audit & Risk Committee Report** – This report was presented by Donald Goyetche.
It was moved by Donald Goyetche, seconded by Anthony Thibeau, that the 2021 Audit & Risk Committee Report be accepted as presented. Motion carried.

5. **Nominations Committee Report** - This report was presented by Donald Goyetche. The Nominations Committee was comprised of Maurice Boudreau, Tanya Sampson, and Donald Goyetche. Mr. Goyetche reported that the outgoing members were as follows:
- David George
 - Terrance Tyrrell
 - Nathan Boudreau

There was no interest from the community at large in serving as a Board member. As such, Mr. Goyetche noted that David George, Terrance Tyrrell, and Nathan Boudreau were reappointed by acclamation.

It was moved by Donald Goyetche, seconded by Tanya Martell, that the 2021 Nomination Committee Report be accepted as presented. Motion Carried.

6. **Auditor's Report/ Financial Statements** – Kyle Musial of MNP presented the Independent Auditors Report for 2021. He advised that in their opinion, the financial statements presented fairly, in all material respects, the financial position of St. Joseph's Credit Union as at December 31, 2021. He also advised that the statements being presented were a five-page summary of the financial statements but that the full statements were available upon request at the credit union. He briefly reviewed the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Members' Equity, the Statement of Cash Flows and the Schedule of Expenses.

It was moved by Tanya Martell, seconded by Amanda Martell, that the 2021 Auditor's Report be accepted as presented. Motion Carried.

NEW BUSINESS

1. Appointment of Auditors

On behalf of the Board of Directors and upon recommendation of the Audit & Risk Committee, Mr. Goyetche recommended that we retain MNP as our auditors for the year ending December 31, 2022.

It was moved by TC Fougere, seconded by Amanda Short, that we accept St. Joseph's Credit Union Board's recommendation and retain the auditing services of MNP for the fiscal year ending December 31, 2022. Motion Carried.

2. Service Awards

Tanya Sampson, Vice-Chair presented TC Fougere with a certificate of appreciation for 10 years of service to the Credit Union.

3. Door Prizes

Random draws took place, with 8 members awarded \$ 100.00 in gift certificates to local businesses and 10 members awarded Credit Union swag bags.

It was moved by Tanya Martell that the meeting be adjourned at 6:58pm.

General Manager's Report

Bonjour à tous et bienvenue à votre assemblée Générale annuelle. It is with great pleasure I am joining you tonight to provide you with an overview of the 2022 accomplishments of our great team here at St. Joseph's Credit Union.

From a financial perspective, the last year proved to be a challenging but successful year. We maintained steady loan growth and low delinquency rates greatly due to a combined effort from our staff, who maintained close contact with members. Our net income of \$671,867 was another impressive surplus in the credit union's history and enabled us to maintain our equity at above 11.94%, over twice the regulatory limit and well above the system average. As of December 31, 2022, our assets per member and equity as a percentage of assets were the 2nd highest of any credit union in the province.

Investing in technology and cybersecurity has and will continue to be a top priority as it increasingly shapes our members' day-to-day interactions. In 2021, we began our banking platform conversion project which continued throughout 2022 and should see fruition before the end of 2023, a significant milestone to serving our members in today's digital world. We continued to develop stronger capabilities to meet the increasing demands of cyber security. To safeguard our members accounts and information, we continue to improve our cyber defense and resilience through such initiatives as 2-step verification, enhanced staff training, and improved policies and procedures. We also completed the implementation of our new digital account opening platform granting our existing members the ability and convenience of applying online, anytime, anywhere for available products. The investment required for these projects has been significant and will require a multi-year commitment. However, these initiatives are critical to address the ever-growing demands for digitization, protection, and enhanced service to our members.

In conclusion, I want to thank our staff for the dedication they continue to show each year. Your professionalism and outstanding work ethic in providing essential services to our members is critical to our success. I would also like to thank our Board of Directors for their continued leadership and direction and for their never-ending support and encouragement. Finally, I want to thank our members for their loyalty and patience. Your continued commitment to banking locally and your willingness to support the changes we have been forced to implement does not go unnoticed. Les choses que nous pouvons accomplir lorsque nous travaillons ensemble sont incroyables. Bonne réunion, félicitations sur une autre bonne année et je vous souhaite beaucoup de succès à l'avenir.

Co-operatively yours,

Holly Landry
Interim General Manager

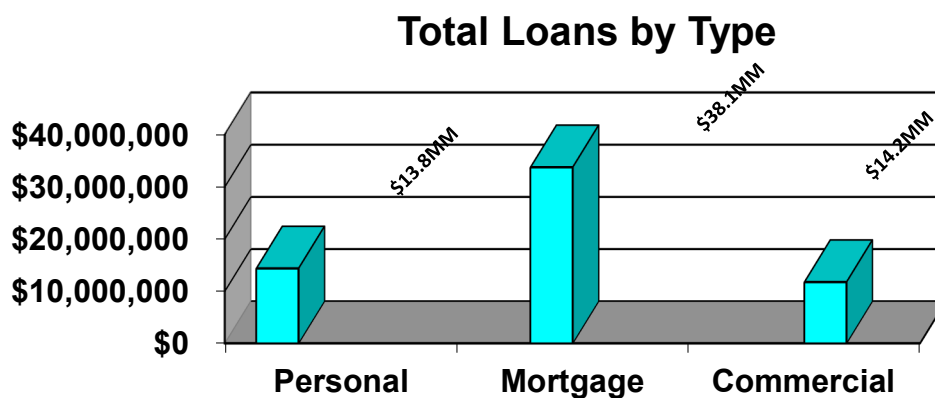
Report *from the* Credit Committee

It is with pleasure that I present the Credit Committee Report for the year ending December 31, 2022.

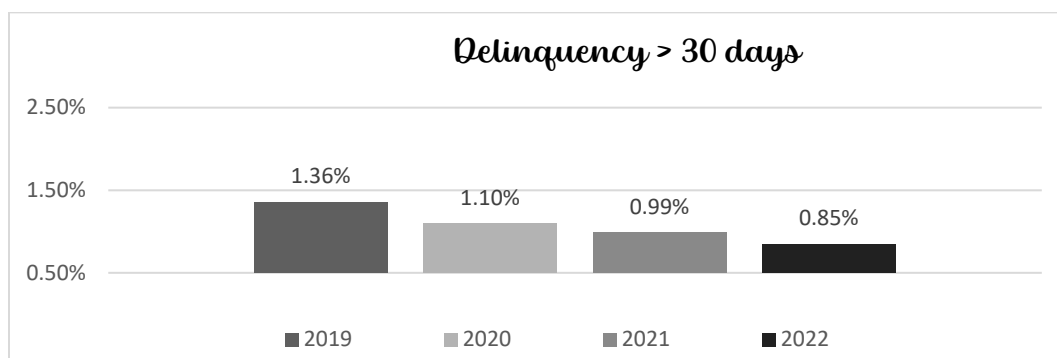
The Credit Committee's role is to oversee and monitor the lending process and to ensure lending policies are followed at St. Joseph's Credit Union. The Committee is appointed by the Board of Directors to ensure that the lending department is making the best use of member's deposits when lending. The Committee meets with management at least quarterly and reports back to the board following each meeting. In addition, the Committee approves all loans that fall outside of normal lending parameters as set by the provincial credit union regulator, the Credit Union Deposit Insurance Corporation (CUDIC).

The overall loan portfolio had stable growth of 12.8% in 2022 and stood at \$66.6 million at year-end (\$65.8mm reported in Statement of Financial Position is after deduction of Allowance for Impaired Loans) and our total loans accounted for 70.1% of the credit union's assets. The lending team was quite busy providing competitive financing to our growing membership for home and automobile purchases, renovations, debt consolidation, commercial purposes, and investment purchases.

The chart below provides a breakdown of our loan portfolio by loan type. As you can see, Mortgages, at \$38.1million, accounted for the largest portion of our portfolio, followed by Personal Loans at \$13.8 million and Commercial Loans at \$14.2 million.



Although each loan was granted with the expectation that it would be repaid as per the terms of the original loan agreement, this was not always the case. We are pleased to report to the membership that total delinquency at year-end stood at 0.847% of total loans. This percentage is very comparable to other credit unions throughout the province. In our opinion, prudent lending practices are being followed by management and staff and our current loan portfolio represents an acceptable level of risk for the credit union. This belief was supported by our deposit insurer, who reported in 2021 that the percentage of risk being introduced to our loan portfolio during the Loan Review was well within their guidelines of acceptable risk.



In closing, I would like to take this opportunity to acknowledge the contributions made by every member of the Committee, all of whom attend our meetings regularly and graciously gave their time and expertise, making it possible for this Committee to function as intended. I would also like to thank the membership for their continued support over the past year and wish everyone a prosperous 2023.

Respectfully Submitted,

Nathan Boudreau
Credit Committee Chair

Audit & Risk Committee Report

The Audit and Risk Committee assists the Board of Directors with its' responsibilities for financial reporting, internal controls, risk management, and external audit.

The Committee's primary responsibilities are to:

- Serve as an independent and objective party when monitoring our financial performance and reporting process.
- Review and assess the efforts of our independent auditors.
- Assess the processes related to the risks we face and our internal control environment.
- Review reports issued by the Credit Union Deposit Insurance Corp. or any other independent party.
- Monitor the implementation of significant recommendations from these reports and report to the Board on the progress of that implementation.
- Review regular reports from management and external auditors concerning the Credit Union's progress and compliance with financially related laws and regulations.
- Review any policies as directed by the Board
- Undertake such other duties as are delegated to the Committee by the Board.

The Committee held seven (5) meetings in 2022. I wish to report that we did the following:

- ✓ Monitored our financial performance on a quarterly basis.
- ✓ Reviewed board, management and staff expenses and confirmed compliance to policy.
- ✓ Reviewed and confirmed payment of our Canada Revenue Agency mandatory remittances.
- ✓ Reviewed the Credit Union's Enterprise Risk Management Framework and the activities undertaken during the year.
- ✓ Confirmed that all staff, board, and committee members complied with our Codes of Corporate Ethics and Business Conduct.
- ✓ Reviewed reports from external bodies, including our Auditors and the Credit Union Deposit Insurance Corp. and monitored the execution of major recommendations in the reports.
- ✓ Confirmed our Auditor's independence and reviewed the Audit Planning Report, the audited financial statements, the Audit Findings Report and the Management Letter.
- ✓ Recommended the Auditors for the current year and that the audited financial statements be approved by the Board of Directors.

I would like to thank my fellow committee members for their time and consideration.

Respectfully submitted,



Donald Goyetche
Committee Chair

Nominations Committee Report

The following table sets forth meeting attendance by your representatives on the board:

Name	Board Meetings	AGM	Strategic Planning Session
David George	7 of 7		1
Brian LeBlanc	3 of 7	1	1
Maurice Boudreau	6 of 7		1
Nathan Boudreau	5 of 7		1
Marion Mury	7 of 7		1
Leo Samson	4 of 7		1
Donald Goyetche	7 of 7	1	1
Terrance Tyrrell	4 of 7	1	1
Tanya Sampson	7 of 7	1	1

The Nominations Committee consisted of David George, Terrance Tyrrell, and Nathan Boudreau.

The Committee wishes to report that the outgoing directors are Marion Mury, Brian LeBlanc, and Leo Samson.

The Committee also wishes to report that Marion Mury and Brian LeBlanc have re-offered their names for a position on your Board of Directors. Leo Samson has decided to step down as has Terrance Tyrrell, resulting in 2 vacancies. Victoria Boudreau and Tony Pierce, both of Arichat, have submitted their names for a position on your Board of Directors.

The Committee therefore wishes to declare that Marion Mury, Brian LeBlanc, Victoria Boudreau and Tony Pierce, are hereby elected for 3-year term positions by acclamation.



Donald Goyetche
Committee Chair

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and all other information contained in the Annual Report are the responsibility of management and have been approved by the Board of Directors (the "Board"). The financial statements have been prepared by management in accordance with International Financial Reporting Standards, and include amounts based on informed judgments and estimates of the expected effects of current events and transactions. Financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

In meeting its responsibility for the reliability of financial data, management relies on comprehensive internal accounting, operating and system controls. Controls include an organizational structure providing for effective segregation of responsibilities and delegation of authority and personal accountability, as well as the application of accounting and administrative policies and procedures necessary to ensure adequate internal control over transactions, assets and records. These controls are designed to provide reasonable assurance that financial records are reliable for preparing financial statements and maintaining accountability for assets, and that assets are safeguarded against unauthorized use or disposition.

The Board has appointed an Audit Committee to review with management and independent auditors the annual financial statements prior to submission to the Board for final approval. MNP LLP have been appointed by the membership as independent auditors to examine and report on the financial statements. They have full and free access to Credit Union staff and the Audit Committee of the Board.



Holly Landry
Interim General Manager
St. Joseph's Credit Union Limited


David George (A 20, 2023 10/19 ALU)

David George
Chair, Board of Directors
St. Joseph's Credit Union Limited

March 27, 2023

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St. Joseph's Credit Union Limited
Summary Financial Statements
December 31, 2022

St. Joseph's Credit Union Limited

Contents

For the year ended December 31, 2022

	Page
Report of the Independent Auditor on the Summary Financial Statements	
Summary Financial Statements	
Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Note to the Summary Financial Statements	5
Schedules	
Schedule 1 - Member Security Expenses	6
Schedule 2 - General Business Expenses	6
Schedule 3 - Occupancy Expenses	6

Report of the Independent Auditor on the Summary Financial Statements



To the Members of St. Joseph's Credit Union Limited:

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2022, and the summary statements of comprehensive income, changes in equity, cash flows and the related schedules for the year then ended, and related notes, are derived from the audited financial statements of St. Joseph's Credit Union Limited (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 basis described in the Note.

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 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 March 27, 2023.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis described in the Note.

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 Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

Sydney, Nova Scotia
March 27, 2023

MNP **LLP**
Chartered Professional Accountants

MNP LLP

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St. Joseph's Credit Union Limited

Statement of Financial Position

As at December 31, 2022

	2022	2021
Assets		
Cash and cash equivalents	1,853,927	6,797,115
Investments and deposits	25,292,615	30,395,510
Loans to members	65,995,023	58,493,298
Income taxes recoverable	15,939	-
Property, building and equipment	590,015	612,641
Other assets	183,628	21,030
Deferred tax asset	173,900	154,100
Total assets	94,105,047	96,473,694
Liabilities		
Member deposits	82,309,980	85,313,743
Trades payable and accrued liabilities	465,580	430,579
Income taxes payable	-	73,886
Total liabilities	82,775,560	85,818,208
Members' equity		
Community development fund	198,611	144,630
Retained earnings	11,027,505	10,409,619
Member shares	103,371	101,237
Total Members' equity	11,329,487	10,655,486
	94,105,047	96,473,694

Approved on behalf of the Board

Director

Director

St. Joseph's Credit Union Limited
Statement of Comprehensive Income

For the year ended December 31, 2022

	2022	2021
Income		
Interest on loans	2,347,899	2,286,185
Investment income	553,120	341,497
	2,901,019	2,627,682
Interest expense		
Interest on member deposits	641,222	356,851
	2,259,797	2,270,831
Financial margin	492,533	521,412
Other income		
	2,752,330	2,792,243
Operating Expenses		
Personnel	975,284	980,017
Member security (<i>Schedule 1</i>)	96,737	101,097
General business (<i>Schedule 2</i>)	736,698	663,319
Occupancy (<i>Schedule 3</i>)	75,552	64,287
Provision for (recovery of) loan losses	6,000	(69,240)
Depreciation	38,325	41,602
	1,928,596	1,781,082
Income before income taxes	823,734	1,011,161
Provision for (recovery of) income taxes		
Current	171,667	217,647
Deferred	(19,800)	(6,300)
	151,867	211,347
Comprehensive income	671,867	799,814

St. Joseph's Credit Union Limited
Statement of Changes in Equity
For the year ended December 31, 2022

	<i>Member shares</i>	<i>Community Development Fund</i>	<i>Retained earnings</i>	<i>Total equity</i>
Balance December 31, 2020	101,724	107,007	9,647,428	9,856,159
Comprehensive income	-	-	799,814	799,814
Issuance of member shares	5,605	-	-	5,605
Redemption of member shares	(6,092)	-	-	(6,092)
Transfer to Community Development Fund	-	64,623	(64,623)	-
Transfer from Community Development Fund	-	(27,000)	27,000	-
Balance December 31, 2021	101,237	144,630	10,409,619	10,655,486
Comprehensive income	-	-	671,867	671,867
Issuance of member shares	8,282	-	-	8,282
Redemption of member shares	(6,148)	-	-	(6,148)
Transfer to Community Development Fund	-	79,981	(79,981)	-
Transfer from Community Development Fund	-	(26,000)	26,000	-
Balance December 31, 2022	103,371	198,611	11,027,505	11,329,487

St. Joseph's Credit Union Limited

Statement of Cash Flows

For the year ended December 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Comprehensive income	671,867	799,814
Depreciation	38,325	41,602
Deferred taxes	(19,800)	(6,300)
Changes in working capital accounts		
Loans to members	(7,501,724)	(1,572,651)
Income taxes recoverable	(15,939)	48,929
Other assets	(162,598)	182,327
Member deposits	(3,003,764)	10,944,292
Trade payable and accrued liabilities	35,001	66,941
Income taxes payable	(73,886)	73,886
	(10,032,518)	10,578,840
Financing activities		
Membership shares, net	2,134	(487)
Investing activities		
Increase of investments and deposits	-	(9,343,849)
Decrease of investments and deposits	5,102,895	-
Purchases of property, building and equipment	(15,699)	(22,080)
	5,087,196	(9,365,929)
Increase (decrease) in cash and cash equivalents	(4,943,188)	1,212,424
Cash and cash equivalents, beginning of year	6,797,115	5,584,691
Cash and cash equivalents, end of year	1,853,927	6,797,115
Supplementary cash flow information		
Interest on member deposits	(300,920)	(407,782)
Income taxes	(261,492)	(94,832)
Dividends and interest on investments	528,662	310,031
Interest on loans to members	2,355,227	2,315,596

St. Joseph's Credit Union Limited

Note to the Summary Financial Statements

For the year ended December 31, 2022

Basis of preparation of the summary financial statements

Management has prepared the summary financial statements from the December 31, 2022 audited financial statements, which are prepared in conformity with International Financial Reporting Standards (IFRS). The audited financial statements can be obtained at St. Joseph's Credit Union Limited. The detailed notes included in the audited financial statements are not included in these summary financial statements.

The criteria developed by management for the preparation of the summary financial statements is as follows: that the information included in the summary financial statements is in agreement with the related information in the complete financial statements, and that the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete financial statements, including the notes thereto, in all material respects.

St. Joseph's Credit Union Limited
Schedule 1 - Member Security Expenses
For the year ended December 31, 2022

	2022	2021
Member security		
Bonding	19,681	19,597
Insurance	77,056	81,500
	96,737	101,097

Schedule 2 - General Business Expenses
For the year ended December 31, 2022

	2022	2021
General Business		
Advertising and promotion	14,475	30,119
Service fees and charges	230,130	224,682
Central assessment and dues	98,089	96,000
Service contracts and maintenance	12,733	11,699
Courier and postage	7,511	3,438
Office	24,240	29,619
Professional fees	62,317	50,830
Telephone	18,933	18,879
Data processing	167,510	151,656
Educational	27,778	23,488
Miscellaneous	46,982	(4,091)
Community development fund donations	26,000	27,000
	736,698	663,319

Schedule 3 - Occupancy Expenses
For the year ended December 31, 2022

	2022	2021
Occupancy		
Municipal taxes	7,924	7,041
Repairs and maintenance	16,661	17,497
Heat, lights and water	16,854	11,681
Insurance	16,649	9,798
Janitorial and cleaning supplies	17,464	18,270
	75,552	64,287



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