

LAKE VIEW CREDIT UNION



ANNUAL REPORT FOR 2018



2018 ANNUAL REPORT

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**LAKE VIEW CREDIT UNION
ANNUAL GENERAL MEETING
APRIL 3rd, 2019**

AGENDA

- Call to Order
- Registration Report
- Appointment of the Parliamentarian – *Shane Allen*
- Appointment of Recording Secretary – *Jennifer Lalonde*
- Adoption of Agenda
- Approval of Minutes from 74th AGM - *April 11, 2018*
- Business arising from the Minutes
- Nominating Committee Report – *Myles Mowat*
- Board Chair Report – *John Kurjata*
- Chief Executive Officer Report – *Lori Archibald*
 - Service Awards
- Chief Financial & Risk Officer Report – *Don McMillan*
- Auditor's Report – *Cindy Thomson, Deloitte LLP*
- Appointment of Auditor - *Dale Rose, Chair of the Audit & Risk Committee*
- New Business
- Question & Answer Period
- Adjournment

MINUTES OF THE 74th
ANNUAL GENERAL MEETING OF
LAKE VIEW CREDIT UNION

Held on April 11th, 2018
At: Calvin Kruk Centre for the Arts
10401-10th St, Dawson Creek, BC V1G 3T8
7:00 PM

Call to Order:

- The Annual General Meeting of Lake View Credit Union is called to order by Joe Judge, Chair of the Board of Directors, at 7:00 p.m.
- Joe Judge welcomed and thanked everyone in attendance.

Introduction of Head Table:

- Joe Judge – Board Chair
- John Kurjata – Board Vice-Chair
- Myles Mowat – Board Secretary
- Dale Rose – Director
- Darren Hamre – Director
- Everett Beaulne - Director
- Jerrilyn Schembri – Director
- Suzanne Bull – COO
- Jennifer Lalonde – Executive Assistant

Registration Report:

- In attendance - 43 Members, 10 guests
- Joe Judge declared a quorum is present.
- A moment of silence was taken in memory of our deceased members.

Appointment of Recording Secretary:

- Unless there is an objection, Jennifer Lalonde, Executive Assistant – Lake View Credit Union will be appointed as the recording secretary

Adoption of Agenda:

- Joe Judge called for a motion to adopt the agenda, with the prerogative of the Chair to change the order of the agenda, if required.
Moved – Justin Lajeunesse
Seconded – Suzanne Bull
CARRIED

Approval of Minutes from the 73rd AGM April 6, 2017:

- Joe Judge called for a motion to approve the minutes of the Annual General Meeting dated April 6, 2017 as circulated after asking for any errors, corrections or omissions and hearing none.
Moved – Justin Lajeunesse
Seconded – Renee Jensen
CARRIED

Business Arising from Minutes:

- None

Nominating Committee Report:

- Darren Hamre presented the nominating committee report. The nominating committee consisted of 4 Directors – Darren Hamre as Chair, John Kurjata, Myles Mowat and Jerrilyn Schembri.
- In the 2017 election, there were 2 – 3 year director terms available.
- Our Board Chair, Joe Judge will retire from the Lake View Credit Union Board of Directors after 14 years, Everett Beaulne allowed his name to stand for re-election.
- The nominating committee accepted two applications from the membership and we are proud to have Everett Beaulne joining us for his 4th term as director and Carmen Barber both elected by acclamation, each will serve a 3 year term.
- Darren Hamre asked for a motion to receive the nominating committee report as presented.
Moved – Marlana Blouin
Seconded – Becky Harris
CARRIED

Chair's Report:

- LVCU saw a financially successful year in 2017 that was both challenging and rewarding.
- After reviewing a potential merger with another BC Credit Union, it was mutually decided the merger would not take place at this time.
- Our new branch opened in Chetwynd, the Grand Opening took place in early December, while the branch opened to the public in September.
- Seeing positive growth in Tumbler Ridge with the re-opening of a couple of mines and economic changes.
- Positive moves in the economy taking place, hope for a strong 2018.

CFRO Report:

- Don McMillan presented the financial report for LVCU.

- Ended another successful year with growth of 9.2% or \$29.1M for a total of \$345.4M in assets.
- Saw a majority of the growth in investments and an overall decline in loans and mortgages.
- Had a slight decline in membership, with this a continued focus on growing the membership for 2018.

COO Report:

- Suzanne Bull presented the operating report for LVCU.
- LVCU saw a lot of exciting changes this year, a new branch opening in Chetwynd with the upgrades of the ATM's and implementation of a new credit card provider, Collabria.
- The BC Northeastern economy is showing signs of recovery with increased pipeline activity and the opening of the TR mines.
- Thanked all staff with LVCU as the success is directly attributed by our employees.

Long time Service Awards were presented by Suzanne Bull.

- Justin LaJeunesse, Manager, Risk and Administration – 10 years
- Rolene Waldie, Branch Manager, Chetwynd & Tumbler Ridge – 10 years
- Vanessa Lawrence, Financial Services Officer 2, DC branch – 10 years
- Signe Mattson, Receptionist, DC branch – 5 years
- Kailey Patterson, Administrative Associate – 5 years
- Melissa Marfitt, Loans Administrator – 5 years

Auditors Report:

- Delivered by Cindy Thompson of Deloitte 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, 2017 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, which are also posted online, are included in the Annual Report. A copy of the full financial statements are available at all branches upon request.

Approval of Financial Statements:

- Joe Judge called on Dale Rose, Chair of the Audit & Risk Committee
- Dale Rose moved that the Auditor's report and the Financial Statements for the year ending December 31, 2017 be approved as presented.

Seconded – Wayne Ezeard
CARRIED

Appointment of Auditor:

- Dale Rose asked for a motion that the firm of Deloitte LLP Chartered Accountants, Prince George be appointed Auditors for the year ending December 31, 2018 and the Board of Directors is authorized to fix remuneration for these said services.
Moved – Don McMillan
Seconded – Justin Lajeunesse
CARRIED

New Business:

- None.

Question & Answer Period:

- None.

Community Donations:

- In 2017, LVCU donated over \$50,000 to local community groups that make a difference in the communities we live and serve.
- The spring session is now complete and we have representatives from the following groups to accept a cheque on behalf of their organization. Myles called on all participants up to the stage to accept the cheque to be presented by staff members Beverly Black and Tonia Ritcher.
 - Campus Kids Daycare Society - \$3000
 - The Chetwynd Rodeo Committee - \$2000
 - Chetwynd Outdoor Society - \$3500
 - Dawson Creek Municipal Public Library - \$2000
 - Dawson Creek Arts and Wellness Society - \$3500
 - South Peace Child Development Centre - \$1500
 - Nawican Friendship Centre - \$6000

Adjournment:

- Joe Judge asked for a motion for the adjournment of the 74th Annual General Meeting of Lake View Credit Union
Moved – Pam Kesterke
Seconded – John Kurjata
CARRIED

CHAIR AND CEO REPORT

OUR HISTORICAL MILESTONE

Seventy five years ago our Lake View Credit Union founders had a vision. Their vision was to assist in enabling a community to grow and prosper by providing them access to financial tools and services. These founders understood the power of collaboration and they recognized that their synergies could help create a credit union that would be owned by member/owners and that would also service less prosperous residents of Dawson Creek. Their tenacity, foresight and commitment to the vision of Lake View Credit Union is an attestation to our existence today, seventy five years later. The elected board of directors in later years saw the needs that could be serviced in the neighboring communities of Chetwynd and Tumbler Ridge where full service branches were also erected. Today, we employ a mobile business development officer who considers and is equipped to service any member in the Peace Region. We have come a long way, and we thank our founders, past and current board members and most importantly our members. Your loyalty and commitment to Lake View Credit Union allows us the ability to remain financially viable and to continue to contribute and prevail as an integral pillar in our community.

OUR COMMUNITY ENGAGEMENT

We pride ourselves on distributing a reasonable portion of our annual profits back into the communities we serve. The community social responsibility fund distributes semi-annually (April and September) financial awards to the successful applicants. The successful applicants are determined by the community social responsibility committee which is made up of LVCU board members and employees. The total distributed under this program in 2018 was \$50,000. Please review the community section of our annual report for detail regarding the successful applicants and their initiatives.

OUR COMMUNITY ENGAGEMENT/CON'T

We also enjoyed contributing to community initiatives through other varied donations totaling \$24,150 and through significant employee volunteer hours donated to many worthy causes. Of particular mentions are the Cops for Cancer event that raised over \$15,000, the DCHF Radiothon event which raised over \$17,000 and the Encana Race Against Hunger food drive which contributed over \$10,000 worth of food and resources to food banks in Dawson Creek. We live and take pride in our communities and believe in providing a helping hand when we can.

Education and our future generations are always top of mind at LVCU. We have been awarding scholarships almost since our inception. In 2018 we were pleased to assist our community members with bursaries totaling \$5,000.00.

In the coming months we will be looking for your help in shaping how we navigate the future. The board of directors will be putting on community consultations in the areas we serve. We'll be looking for your input into what you know about us and what a credit union should be to the communities it serves. This information will help us in putting together a meaningful strategic plan that all can embrace.





OUR AWESOME EMPLOYEES

We are fortunate to have a strong employee base that rises to the top when times are challenging. Interim management ensured that our members' needs remained well serviced and our employees engaged while searching for a Chief Executive Officer. The employee team persevered until we secured our current CEO in late May, 2018. Lake View Credit Union also hired a Chief Finance and Risk Officer during this period, rounding out our executive leadership team. We are confident that our team is well positioned and committed to delivering and surpassing the financial needs of our members. We continue to provide training and developmental opportunities to our team ensuring they are fully competent and versed on products and services that contribute to the wellbeing of our members. Our sincere thanks to all the employees of Lake View Credit Union for your unwavering commitment and support throughout the past couple of years.

THE MARKET AND OUR MEMBERS/OWNERS

The economic future of the region remained challenging and uncertain in 2018. While news of LNG sparked hope and enthusiasm, many members do not feel confident in increasing their debt servicing. Our members' hesitance in borrowing directly impacts our credit unions growth, and indeed in 2018 this was evidenced. Our asset base declined slightly due to this factor however our profitability remained very strong. In fact, your Credit Union is amongst the strongest in the province boasting strong capital reserves. (Please read our CFRO's report for the finer details regarding our financial results and position). This enables the Credit Union to explore prudent yet profitable opportunities that may be of benefit to our membership.

We engaged our Tumbler Ridge community by holding an open forum, followed up with an online survey made available to members as well as non-members, this past summer. The hours of branch operations were revised as a result of the feedback we received. While the hours remain condensed, we altered the Wednesday hours to provide access for members outside of traditional banking hours. We appreciate that we are the only financial institution in the area and while our members would like full time hours at this branch, the penetration of membership in the community does not allow for this cost. In that regard we offered free memberships to all new members in 2018 ensuring the cost of becoming a member was not a deterrent and providing a \$75 incentive in celebration of our milestone anniversary.

TECHNOLOGY AND INNOVATION

Considerable investment and energies were dedicated to upgrading our software platforms and product lines this year. A review of the members visiting the Dawson Creek branch to conduct in person business was undertaken and it showed approximately 10% of our membership prefer to do their business in branch. It certainly confirmed our prediction and validated the need to offer products and services that our members could conduct on their time and in their space. The first product we introduced was "Deposit Anywhere". This service is offered through our mobile banking application and allows members to deposit a picture of their cheque directly into their account.

"Docu-sign" was another addition to our software arsenal and the value of this tool just keeps multiplying.

TECHNOLOGY AND INNOVATION/CON'T

The advanced software allows our members to securely execute our documents from the convenience of their home. We have adopted the software through many of our internal processes and a few selected member applications. We will continue to build on the application of docu-sign to provide our members with the ultimate convenience of time savings.

Our Facebook site and social media platforms got some much need attention and revamping this year as well. It is rewarding to be able to instantly share news and noteworthy information with our members. The uptake on Facebook alone exceeds year over year growth of over 500! Give us a 'like' and we assure you it will be well worth it.

The new year will see many more upgrades to our technology platform. Specifically we are planning to upgrade our mobile website application to a more robust and user friendly mode. We are also installing several security features to give you peace of mind that your information is safe and secure with us.

We are very proud of our accomplishments over the years and extremely proud to be recognized as a strong and healthy Credit Union in the province of British Columbia. It takes member commitment for this to continue. We thank you and look forward to your continued support and confidence in your financial institution. Recommend us, give us your feedback, give our team the congratulations they deserve. We look forward to serving our members and communities for another 75 years and more!



John Kurjata

JOHN KURJATA, CHAIR

Board of Directors



Lori Archibald

LORI ARCHIBALD, CEO

Lake View Credit Union

ABOUT US

Lake View Credit Union's history of member service began in the years after the great depression. Born in Dawson Creek on August 1943 with 12 members and \$6, in September 1944, the credit union had 141 members and a share capital of \$25,820. LVCU had the distinction of being one of the fastest growing credit unions in British Columbia, and today we proudly service almost 10,000 members with assets over \$322 million.

In 1974, Lake View Credit Union expanded its services by opening a branch in Chetwynd, B.C., and in 2001 it became the only financial institution in Tumbler Ridge, B.C. Today, Lake View Credit Union continues to serve our members throughout the entire Peace Region, led by our board of directors and executive team.



OUR MISSION

Lake View Credit Union is committed to enriching our members' lives.

OUR VISION

We are invested in your community, your life and your dreams.

OUR VALUES

- Responsibility: financial, social, corporate
- Sustainability: people, profit, planet
- Adaptability: engagement, innovation, responsiveness.

COMMUNITY INVESTMENT AND ENGAGEMENT



75TH ANNIVERSARY: LOOKING BACK AND LOOKING FORWARD

In 2018, Lake View Credit Union embarked on an effort to revamp and modernize its community engagement efforts. One key component of this was the 'Thrive 75' member recruitment and engagement campaign. In addition to reintroducing the Credit Union to a new generation of community members, the campaign served as a tremendous opportunity to remind those familiar with Lake View Credit Union who we are and all that we add to the Peace Region.

In addition to our 'Thrive 75' member recruitment and referral campaign, over the past year Lake View Credit Union has ramped up its embrace of digital communications technologies via social media (Facebook, Twitter, Instagram, and LinkedIn), and various other initiatives to evolve and broaden our appeal to members through diversifying communications channels and meeting them where they are.

SPONSORSHIPS AND DONATIONS \$29,150

We take tremendous pride as a credit union in our symbiotic relationship to this region and our communities. We are them and they are us. This is perhaps most poignantly demonstrated in the many ways that we are able to give back and enrich the quality of life for all who call the BC Peace region home.

Through sponsorship, donations, bursaries, scholarships, providing volunteers and making sure we're supporting each other as neighbors and colleagues, our greatest strength and competitive advantage is our ability to be "in the community".

Some of the organizations and initiatives sponsored last year include:

- **Rotary Auction**
- **Hospice Society**
- **Dawson Creek and District Hospital Foundation**
- **Mile 0 Cruisers**
- **Grizfest**
- **Chetwynd International Chainsaw Carving**
- **Dawson Creek Fall Fair and Exhibition**
- **Encana's Race Against Hunger**
- **Oktoberfest**

SCHOLARSHIPS \$5,000

As a stakeholder in our community, we recognize that educating our youth is one of the greatest missions we can undertake and that doing so is vital to securing our region's sustainability now and into the future.

Every year, we distribute five, \$1,000 scholarships to soon to be graduating students throughout the region to assist them in their pursuit of post-secondary academics or vocational training. 2018's recipients were:

- **Shauna Wangler, Dawson Creek Secondary School**
- **Miriam Madsen, Tumbler Ridge Secondary School**
- **Brittany Pilgrim, Tumbler Ridge Secondary School**
- **Sierra Neuls, Chetwynd Secondary School**
- **Emma Peasgood, Chetwynd Secondary School**

COMMUNITY SOCIAL RESPONSIBILITY \$50,000

The Community Social Responsibility Fund is unique in that the funds are dispersed by a committee comprised of LVCU employees and directors. This ensures that our community investment decisions are representative of the institution as a whole.

In 2018, Lake View Credit Union provided \$50,000 in support to various quality of life enhancing projects and initiatives throughout the region. Some of the highlighted projects include \$6,000 for upgraded electric at the Nawican Friendship Centre, \$10,000 for shared space at the South Peace Child Development Centre, and \$5,000 for the Art Gallery's bintop studio renovation. Beneficiaries are as follows:

- **Campus Kids Daycare Society**
- **Chetwynd Rodeo Committee**
- **Chetwynd Outdoors Society**
- **Dawson Creek Municipal Public Library**
- **Dawson Creek Arts and Wellness Society**
- **South Peace Child Development Centre**
- **Nawican Friendship Centre**
- **Tumbler Ridge Society for Children's Needs**
- **South Peace Arts Society**
- **353 Mile Zero Air Cadet League**
- **Pouce Coupe Firefighters Assoc.**
- **DCSS Sr. Boys Basketball**



MORTY THE LOON

2018 also saw the introduction of one of our newest team members, 'Morty' the Lake View Loon.

Named in honour of Lake View Credit Union's first General Manager, Gunnar Mortenson, Morty is a great addition to any community function, and we were pleased to see him make his debut at last year's Fall Fair Parade.

For anyone wondering, there are three main reasons we chose a loon as our mascot. First, we felt the loon's association with money was obvious and on the nose. Secondly, loons have a strong association with Canadian national identity, which we all take a great deal of pride in. And, thirdly, the "Lake View" in our name suggested that some sort of aquatic animal may be appropriate.

Morty has been a great addition to the team and we're always looking for opportunities to get him out and about among the community. We're always seeking new members, and Morty is a great conversation starter for those with young families or those that are just young at heart.

MONTHLY MIRROR ARTICLES

In addition to our increased digital footprint, 2018 gave us the opportunity to provide content in the form of a monthly advice column. We have a great year of content planned that covers everything from student finance and fraud prevention to debt management and increasing your credit score, so stay tuned.



DAWSON CO-OP PARTNERSHIP

In the true spirit of co-operation, Lake View Credit Union and Dawson Co-op Petroleum partnered in the fall of 2018 to offer payment services in our Chetwynd branch for the Co-op's card lock service in Chetwynd. In addition to offering added convenience for members of both organizations, it provides Lake View Credit Union with an opportunity to meet, and hopefully recruit, new potential members who we know are already supportive of co-operatives.

The preliminary feedback has been very positive and as a result, in the spring of 2019, this service will be expanded to our Tumbler Ridge branch, with patrons being able to pay fuel invoices directly in branch.

FINANCIAL DISCUSSION AND ANALYSIS

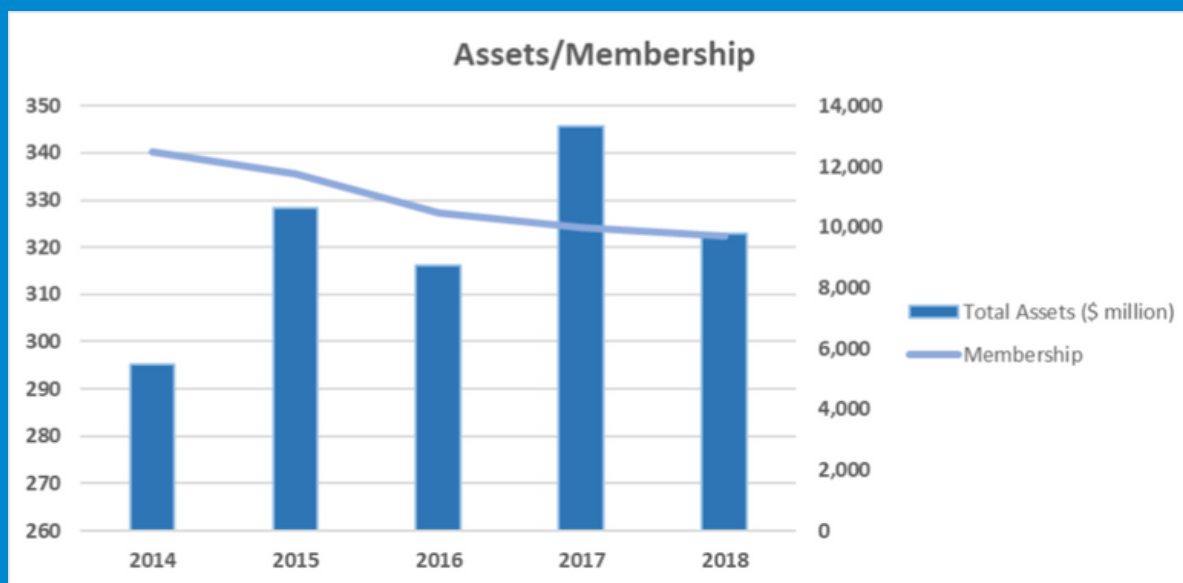
This Financial Discussion & Analysis (“FDA”) is presented as a discussion of Lake View Credit Union’s (“LVCU”) financial and operating performance over the 2018 fiscal year. It is prepared in conjunction with the audited financial statements.

The fiscal year ending December 31, 2018 was a profitable year for the Credit Union. Income was enhanced by several one-time events, which contributed to the bottom line. However, loan growth remained a challenge for Lake View, as real estate activity in the Peace Region remains slow, a major source of lending for the credit union.

ASSETS AND GROWTH

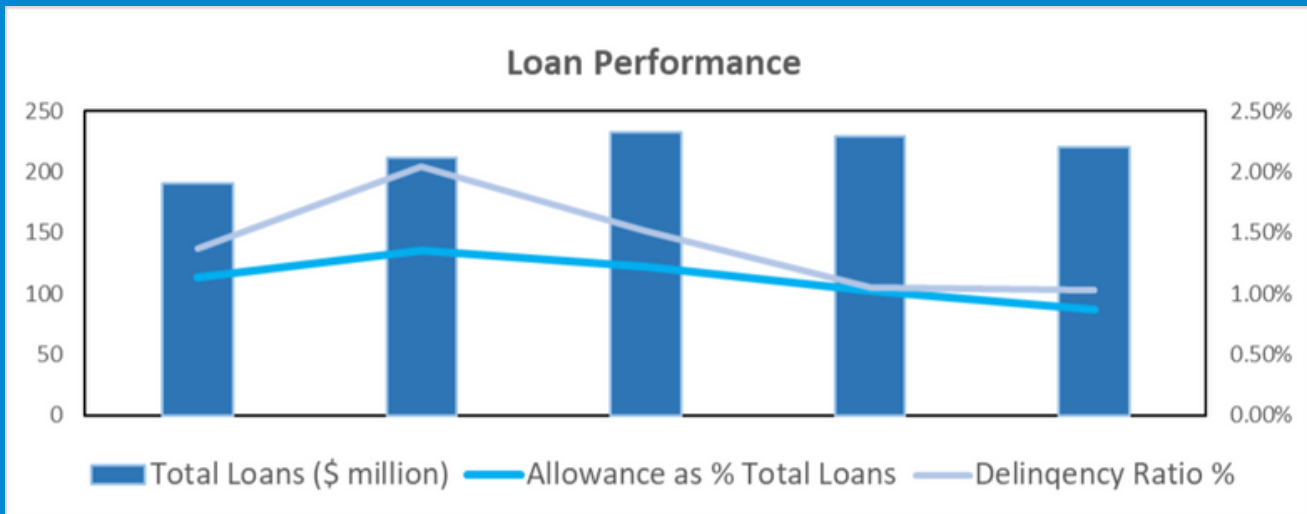
LVCU ANNUAL REPORT 2018

Total assets ended the year at \$322.8 million, a decrease of 6.6% or \$22.8 million. The majority of the decline in assets was attributable to a decline in lending of \$9.0 million, and a reduction in investments by \$12.7 million. The Credit Union anticipates growing loans/mortgages by 4.0% in 2019, while overall asset growth will remain relatively flat.



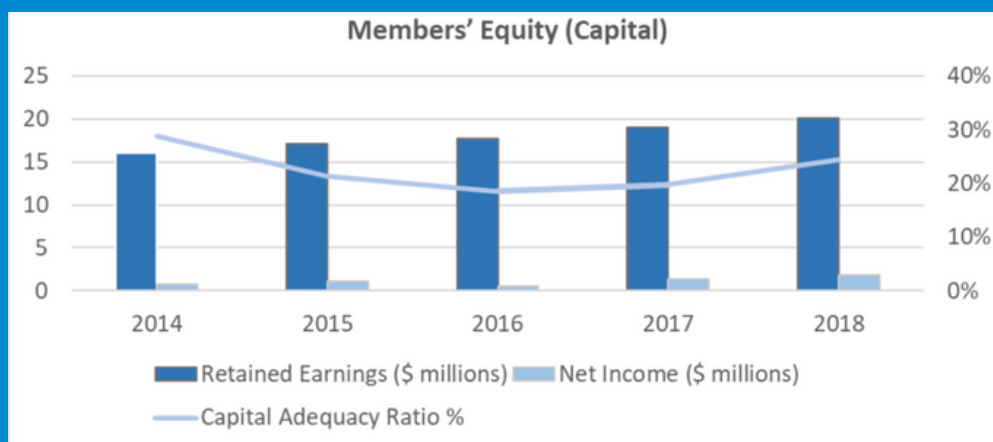
Membership declined by 294 members in 2018, a continuation of a decline seen since 2013. A good percentage of the reduction in membership is attributed to the closing of dormant accounts by the Credit Union. It is a focus of LVCU to reverse this trend in 2019 and to grow and diversify our membership going forward.

LOAN PERFORMANCE



Loans to members (\$220.3 million) continue to account for 68.2% of the Credit Union's assets. Of these loans, 22% are granted to commercial members. The Credit Union's delinquency ratio for loans continues to decline, from 1.05% to 1.03% during fiscal 2018. As well, LVCU's allowance for loan loss, as a percentage of total loans has also declined in the year, to 0.87%. The improved performance may be attributed to improving employment and economic activity in the region. As well, the Credit Union wrote-off some older impaired loans, which contributed to the decrease in the allowance.

MEMBERS' EQUITY

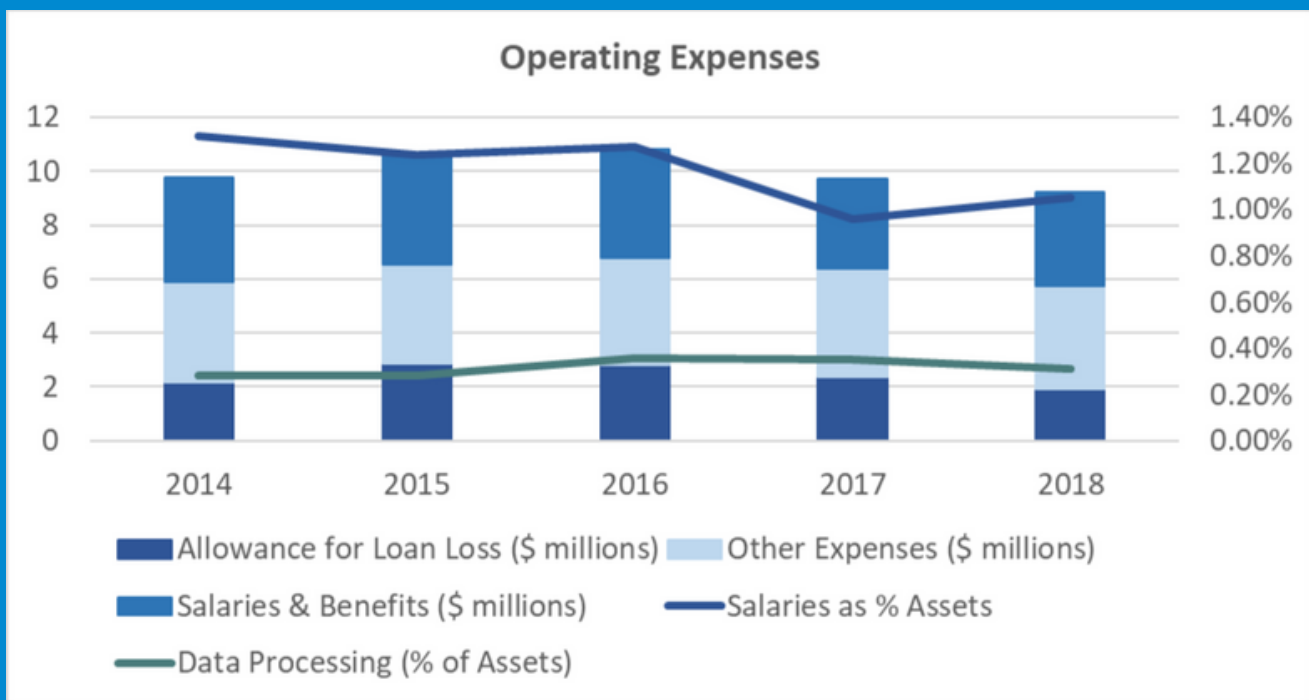


The Credit Union's capital is defined as the sum of its retained earnings and its share capital. Under the terms of the Financial Institutions Act of British Columbia, the Credit Union must maintain a minimum amount of capital (8%), as surety against potential future loan losses. LVCU is in compliance with this requirement, as it ended the year with a capital adequacy ratio of 24.3%.

FINANCIAL MARGIN

Financial margin is the difference between interest and investment income earned and interest expense on deposits and borrowings. Financial margin in 2018 amounted to \$7.8 million, which was an increase from 2017, as market interest rates increased, thereby resulting in higher returns on the Credit Union's investment portfolio. The provision for loan loss declined year over year, to \$17,380 (2017 - \$111,413). The Credit Union anticipates that financial margin will improve in 2019, as market interest rates continue to rise.

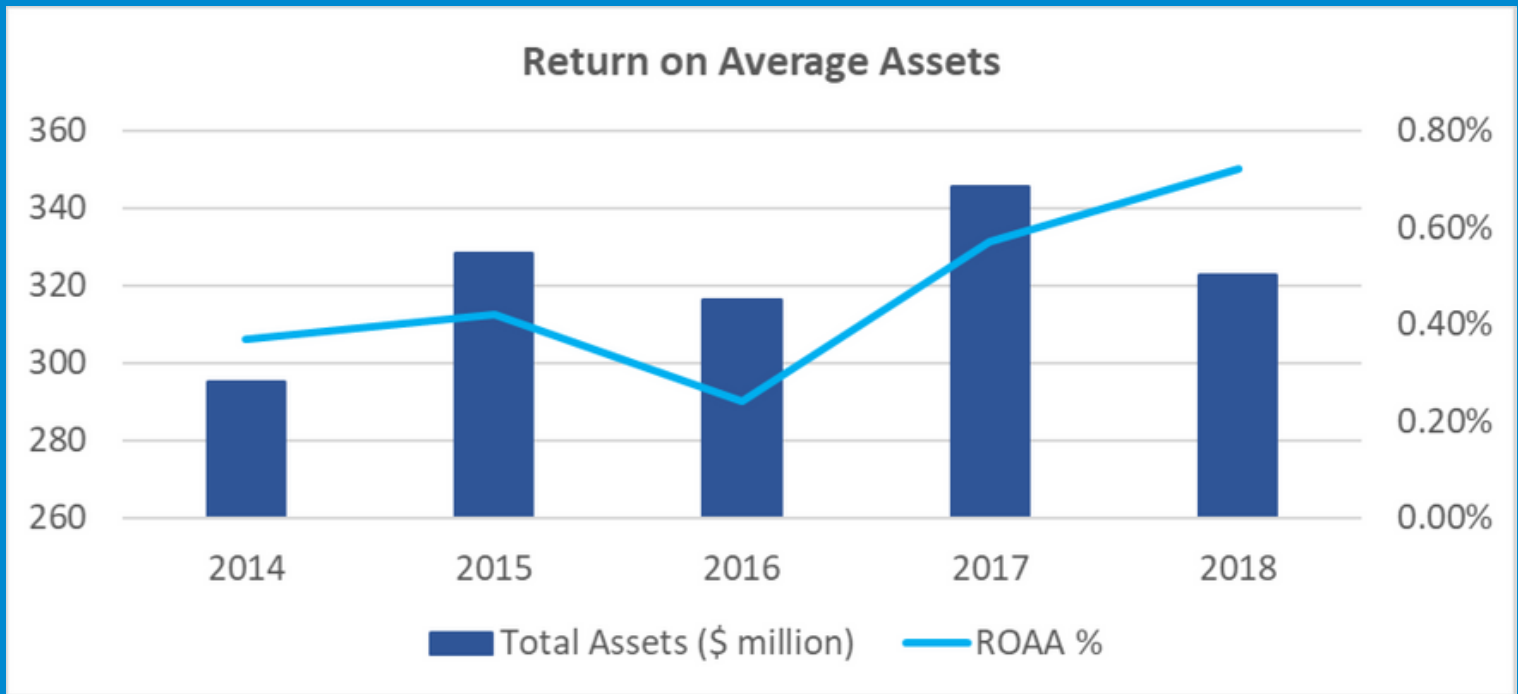
Other income is comprised of service charges, loan application fees, commissions from insurance and mutual fund sales, foreign exchange and other miscellaneous income. Other income declined slightly year over year, at 18.1% (2017 - 20.5%) of total revenue, on account of the drop in the loan portfolio.



OPERATING EXPENSES

Operating expenses consist of salaries and benefits (the Credit Union's largest single cost), occupancy expenses and general administrative expenses. Operating expenses increased 1.16% from 2017 to end the year at \$7.24 Million (2017 - \$7.16 million). The largest increase was in the area of salaries and benefits, as costs rose \$121,000, to \$3.50 million (2016 - \$3.8 million). Other expenses decreased marginally over the year. FTE (full time equivalent positions) increased by 4.0 FTE to end fiscal 2018 at 41.5.

RETURN ON AVERAGE ASSETS



Net income before taxes and distributions to members, ended the year at \$2.3 million, an increase of \$474 thousand over 2017 or a return on average assets of 0.72% (2017 - 0.57%). The improvement in net income can be attributed largely to several one-time events, such as the benefit received from a share ownership restructuring at Centra1 and an accounting standards change that reduced the Credit Union's need to actively contribute to its loan loss allowance in the year. LVCU anticipates that market interest rates will marginally increase in 2019, with the increased revenue from this rate increase offset by planned investments in technology that the Credit Union will undertake in 2019. We expect profitability will return to a more traditional level of 0.53% of average assets, or \$1.8 million. The Credit Union paid a dividend of 7.5% (2017 - 4.0%) to holders of equity shares in 2018. The increase to a 7.5% dividend was in celebration of Lake View Credit Union's 75th anniversary.

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, 2018, the summary statement of income and 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, 2018.

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 27, 2019.

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*.

Chartered Professional Accountants

LAKE VIEW CREDIT UNION

SUMMARY STATEMENT OF FINANCIAL POSITION

as at December 31, 2018

Prince George, British Columbia
February 27, 2019

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 15,570,333	\$ 15,134,327
Investments	72,920,567	87,325,043
Loans and advances to members	227,598,442	235,570,377
Property and equipment	5,089,394	5,203,029
Other intangible assets	329,282	393,827
Other assets	1,268,248	1,792,206
	\$ 322,776,266	\$ 345,418,809
LIABILITIES		
Deposits from members	\$ 299,071,438	\$ 323,229,174
Other liabilities	1,643,161	1,683,067
Membership shares	125,804	128,875
	300,840,403	325,041,116
MEMBERS' EQUITY		
Membership shares	1,132,232	1,159,881
Retained earnings	20,803,631	19,213,886
Accumulated other comprehensive income	-	3,926
	21,935,863	20,377,693
	\$ 322,776,266	\$ 345,418,809

APPROVED BY THE BOARD

Director

Director

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

LAKE VIEW CREDIT UNION
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
 year ended December 31, 2018

	2018	2017
Total interest income	\$ 10,641,562	\$ 10,074,499
Total interest expense	2,801,098	2,813,311
Net interest margin	7,840,464	7,261,188
Allowance for credit losses	17,380	111,413
Net interest income	7,823,084	7,149,775
Other operating income	1,734,470	1,845,762
Total operating income	9,557,554	8,995,537
Total operating expenses	7,244,811	7,161,041
Dividends on membership shares	9,573	4,509
Income before income taxes	2,303,170	1,829,987
Income tax expense	641,832	258,972
Net income	\$ 1,661,338	\$ 1,571,015

LAKE VIEW CREDIT UNION
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
 year ended December 31, 2018

	2018	2017
Net income	\$ 1,661,338	\$ 1,571,015
Other comprehensive loss, net of income taxes	(3,926)	(190,818)
Total comprehensive income	\$ 1,657,412	\$ 1,380,197

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

BOARD OF DIRECTORS ACCOUNTABILITY REPORT

OUR BOARD OF DIRECTORS

Perhaps our greatest abiding strength as a credit union is the fact that our board of directors is comprised of members, and elected by members from right here in the Peace Region. Year after year, Lake View Credit Union's board of directors provides strategic vision, oversight and accountability on behalf of all members. In the interest of transparency in all things, the attached Director Accountability Report seeks to provide insight into the work done over the course of 2018 on behalf of members.



JOHN KURJATA, CHAIR

Ex-officio on all Committees

A Chartered Professional Accountant for over 20 years, John provides a myriad of accounting, tax and financial advisory services to a wide variety of individuals and businesses in the Peace River Region and beyond. John also has extensive experience in other small business endeavors as an owner and manager. In addition to Lake View Credit Union, John's board experience includes Northern Health, Northern Lights College, Community Futures Peace Liard and various small not-for-profit organizations. John is currently a partner with SKK Chartered Professional Accountants.

Term/Years of Service	Attendance at Board Meetings	Attendance at Committee	Remuneration 2018	Expenses 2018	Training/Education
2016-2019 4 Years	Board—8/11 Special Training—4/4	Audit and Risk—5 Investment and Lending—4 Governance—6	\$5,900.00 Chair Stipend—\$2,375.00 Total—\$8,275.00	\$805.92	2016: CUDA Level A Graduate 2018: FICOM Conference

BOARD OF DIRECTORS ACCOUNTABILITY REPORT/CON'T



JERRILYNN SCHEMBRI, VICE CHAIR

Member: Governance, Community & Policy Committee

Jerrilyn brings to the table a wide variety of experience and education ranging from Social Work to Emergency Management to Political Science and Tourism. She has sat on a number of boards, working groups and committees including Federation of Canadian Municipalities, Director at large for both the Union of British Columbia Municipalities and the North Central Local Government Association, President of BC Library Trustees Association, South Peace Economic Development Commission and the Lake View Credit Union Board.

Term/Years of Service	Attendance at Board Meetings	Attendance at Committee Meetings	Remuneration 2018	Expenses 2018	Training/Education
2017-2020 2 Years	Board—11/11 Special Training—3/4	Audit and Risk—2 Investment and Lending—2 Governance—4	\$9,687.50 Chair Stipend—\$300.00 Total—\$9,987.50	\$9,216.50	2017: CUDA Level A Graduate 2018: <ul style="list-style-type: none"> • CUDA—Strategy: Planning and Oversight • CUDA—HR Governance • CCUA & Central1 Conference • Peer Group Meeting



MYLES MOWAT, DIRECTOR

Member: Governance, Community & Policy Committee

Myles Mowat has been proudly serving the members of Lake View Credit Union as director for the last eight years. Myles is a retired educator, whose professional career spanned forty years and included teaching, counselling, coaching and being a Vice-Principal. An active member of the community, Myles is a proud Rotarian, having served on the executive for the Sunrise and Noon Rotary Clubs of Dawson Creek, as well as spending seven years as a director on the board of the BC Principals and Vice-Principals.

Term/Years of Service	Attendance at Board Meetings	Attendance at Committee	Remuneration 2018	Expenses 2018	Training/Education
2017-2020 8 Years	Board—11/11 Special Training—4/4	Audit and Risk—1 Investment and Lending—1 Governance—5	\$9,750.00 Total—\$9,750.00	\$5,150.01	2011: CUDA Level A Graduate 2012: CUDA Program Graduate 2018: <ul style="list-style-type: none"> • CUDA—Cyber Security • CCUA & Central1 Conference • Peer Group Meetings

BOARD OF DIRECTORS ACCOUNTABILITY REPORT/CON'T



DARREN HAMRE, DIRECTOR

Member: Audit & Risk Committee, Investment & Lending Committee

Executive Member, Northline Peer Group

Darren Hamre is a lifetime resident of Dawson Creek and member of Lake View Credit Union, both personally and commercially. He brings with him 28 years of Real Estate experience. Darren will be starting his fourth year as a Lake View board member and looks forward to using the board familiarity and education he has acquired to contribute to our organization

Term/Years of Service	Attendance at Board Meetings	Attendance at Committee Meetings	Remuneration 2018	Expenses 2018	Training/Education
2016-2019 4 Years	Board—10/11 Special Training—2/4	Audit and Risk—4 Investment and Lending—3 Governance—1	\$7,350.00 Total—\$7,350.00	\$2,069.26	2016: CUDA Level A Graduate 2018: <ul style="list-style-type: none"> • CUDA—Cyber Security • Peer Group Meetings



EVERETT BEAULNE, DIRECTOR

Member: Audit & Risk Committee, Investment & Lending Committee

A retired business owner and active community member, Everett remains a staunch advocate for Lake View Credit Union and its members. Having decades of varied volunteer experience, including the Pouce Coupe Library Board, Cub Scouts, the Kiwanis Community Band, South Peace Players and much more, Everett believes strongly in the power of community.

Term/Years of Service	Attendance at Board Meetings	Attendance at Committee Meetings	Remuneration 2018	Expenses 2018	Training/Education
2018-2021 10 Years	Board—11/11 Special Training—4/4	Audit and Risk—4 Investment and Lending—3	\$6,790.00 Total—\$6,790.00	\$386.80	2010: CUDA Level A Graduate 2018: <ul style="list-style-type: none"> • CUDA—Cyber Security • Peer Group Meetings

BOARD OF DIRECTORS ACCOUNTABILITY REPORT/CON'T



DALE ROSE, DIRECTOR

Chair: Audit & Risk Committee, Investment & Lending Committee

Dale was born and raised in Dawson Creek, completing his schooling at South Peace Senior Secondary School. After high school Dale worked in the manufacturing sector for 19 years. During this time he continued to upgrade his education at Northern Lights College and through Athabasca University correspondence, in preparation to become an accountant. In 1997 Dale started working as a Chartered Accountant article student, completing his studies and obtaining his Chartered Accountant designation in 2000. Dale was admitted to partnership with the public practice accounting firm of Sander Rose Bone Grindle LLP in 2003. Over the years Dale has been involved in numerous executive positions with community organizations and has been a member of the Rotary Club of DC Sunrise for 15 years, where he has served as treasurer, president and currently the Mega Lottery community coordinator. Dale has served on the Lake View Credit Union board of directors for the past three years, and has been chair of the Audit and Risk and Investment and Lending Committees for the last two years.

Term/Years of Service	Attendance at Board Meetings	Attendance at Committee Meetings	Remuneration 2018	Expenses 2018	Training/Education
2016-2019 3 Years	Board—10/11 Special Training—4/4	Audit and Risk—5 Investment and Lending—4	\$7,850.00 Comm. Chair—\$500.00 Total—\$8,350.00	\$1,511.26	2016: CUDA Level A Graduate 2018: <ul style="list-style-type: none"> • FICOM Conference • Peer Group Meeting



CARMEN BARBER, DIRECTOR

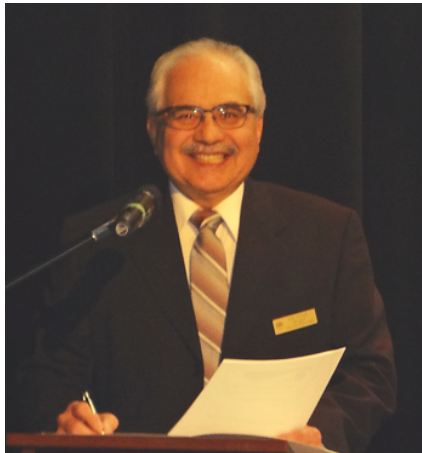
Secretary

Member: Governance, Community & Policy Committee

Carmen Barber has for the past 38 years been a rural and classroom teacher as well as principal in various schools in School District #59. In addition, has also owned two businesses in Dawson Creek until retiring in 2014. She continues to participate in her rural area community associations. She has been serving on the Lake View Credit union board as of 2018.

Term/Years of Service	Attendance at Board Meetings	Attendance at Committee	Remuneration 2018	Expenses 2018	Training/Education
2018-2021 1 Years	Board—7/8 Special Training—2/2	Governance—5	\$6,600.00 Total—\$6,600.00	\$3,844.83	2018: <ul style="list-style-type: none"> • CUDA Level A Graduate • CUDA—Strategy: Planning and Oversight • CUDA—Cyber Security • FICOM Conference • Peer Group Meeting

BOARD OF DIRECTORS ACCOUNTABILITY REPORT/CON'T



JOE JUDGE, CHAIR

Retired

Gone Fishing.

Term/Years of Service	Attendance at Board Meetings	Attendance at Committee Meetings	Remuneration 2018	Expenses 2018	Training/Education
2017-2018 14 Years	Board— 4/4 Special Training—2/2	Audit and Risk—1 Investment and Lending—1 Governance—1	\$3,150.00 Chair Stipend—\$375.00 Total—\$3,525.00	\$1,116.80	

Thank you for your interest Lake View Credit Union's 2018 Annual Report.

If you, as a member and owner, have any questions or comments with respect to board activities or direction, we encourage you to reach out to us at one of our branches for further follow up.

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